

FBIS

DAILY REPORT

CONTENTS

Latin America

Vol VI No 191

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ARGENTINA

Army Commander Suspends Trip Over Crisis	B 1
Prosecutor Calls Amnesty Law Unconstitutional	B 1
Prosecutor Wants Massera To Serve 5 Years	B 1
Unions To Hold 24-Hour Strike on 4 October	B 1
New Nicaraguan Ambassador Talks to Press	B 2

BOLIVIA

Government Denies Existence of Guerrilla Groups	C 1
Mineworkers Strike Causes Losses for Comibol	C 2

BRAZIL

Opposition Scores U.S. 'Untimely Intervention'	D 1
[O GLOBO 29 Sep]	
President Addresses Sao Paulo Businessmen	D 2
Reportage on Effects of Drought, Unemployment	D 3
One Dead in Supermarket Raid	D 3
Peasants Invade Cities; Confrontations	D 3

CHILE

Santiago Archbishop To Continue Mediation	E 1
Jarpa, Democratic Alliance Meet	E 1
Meeting Ends Satisfactorily	E 1
Bishop Calls for Solidarity With Squatters	E 2
Police Arrest 30, Banish 15	E 2
Judge Releases Pinochet's Son-in-Law on Bail	E 2
Intendant Denies Journalists' Assembly Request	E 3
One Hundred Persons Begin Hunger Strike	E 3
Havana Cites 1983 Increase in Detentions	E 4
Democratic Alliance Leader Valdes Outlines Views	E 4
[EL MERCURIO 18 Sep]	

COLOMBIA

Salvadoran Commission, Rebels Hold Meeting	F 1
Talks Stalemated	F 1
Havana Report	F 2
Cal Police-Student Clash Causes Casualties	F 3
ELN Claims Responsibility for Journalist's Death	F 3
Lara Bonilla Claims Victory in 'Hot Money' Issue	F 3
[EL SIGLO 29 Sep]	
Briefs: Oil Production Figures; Foreign Exchange Decrease	F 4

PERU

Havana Continues Reports on Strike Results	J 1
Naval Base To Be Built in Port of Chimbote	J 1

URUGUAY

Government Seeks To Change 1979 GATT Agreement	K 1
Blanco Party Leader Deprived of Political Rights	K 1

MEXICO

Echeverria Warns of Threat of Nuclear War	M 1
Government Restructures Part of External Debt	M 1
Devaluation Stirs Opposition, Labor Criticism	M 1
Production Promotion Demanded	M 1
[EL UNIVERSAL 24 Sep]	
Restoration of Wage Levels Urged	M 2
[EXCELSIOR 26 Sep]	

PANAMA

National Guard Reorganized as 'Defense Forces'	N 1
Legislative Council Approves Bill	N 1
YA Cites New Structure	N 1
[29 Sep]	
Personnel Changes Reported	N 2
[LA PRENSA 28 Sep]	
MOLIRENA Seeks Discussion	N 3
[LA PRENSA 29 Sep]	
Editorial Scores Creation of 'Army'	N 3
[LA PRENSA 29 Sep]	
CRITICA Praises Restructuring	N 4
[29 Sep]	
De la Espriella on Dual Wage Adjustment	N 4

CENTRAL AMERICA

COSTA RICA

Government Rejects Nicaraguan Charge on Attack	P 1
To Request OAS Meeting	P 1
Monge on Contadora Peace Force	P 1
Security Council Issues Communique	P 2
Deputy Alleges 'Contra' Activity	P 3
Radio Stresses Defense of Sovereignty	P 3
Editorial Critiques Monge's 'Neutrality Statute'	P 3
[LA NACION 22 Sep]	
Volio Meets With FRG Foreign Affairs Official	P 4
Briefs: New Supreme Court Justice	P 4

EL SALVADOR

Group Condemns U.S. Embassy Stand on 'Communist'	P 5
State of Siege Extended Additional 30 Days	P 5
[EL DIARIO DE HOY 29 Sep]	
Farm Plane Pilot Escapes from Nicaragua	P 5
Radio Venceremos Denounces Tenancingo 'Genocide'	P 6
FMLN Says Labor Leader Kidnapped by Regime [Farabundo Marti]	P 6
FMLN Reports Brief Occupation of Chinameca [Venceremos]	P 6
Havana Cites Rebel Attacks, Campaign's Progress	P 7
FMLN Continues Offensive	P 7
Progress of Rebel Campaign	P 7

GUATEMALA

Mejia Victores Dissolves State Council	P 7
Four 'Possible' Subversives Killed in San Marcos	P 8
Havana Reports EGP Ambush, Army Casualties	P 8
Havana Carries Statement by PGT Leader Gonzalez	P 8

NICARAGUA

Ortega Note to Contadora Group Distributed at UN	P 9
Assures Support of Contadora Efforts	P 9
Havana on Request to UN	P 10
Ortega Comments on UN Heads of State Meeting	P 10
Havana on Ortega Remarks on Aircraft Purchases	P 11
Reportage on Fighting at Penas Blancas Post	P 11
Calderon Blames Costa Rica	P 11
'Energetic' Protest to Costa Rica	P 11
'Strong, Formal' Protest Made	P 12
Costa Rican Neutrality Questioned	P 13
ARDE Issues War Bulletin [Voice of Sandino]	P 13
Havana Reports on Attack	P 14
Ocotol Officer Discusses Recent Rebel Activity	P 15
Ocotol Residents Join New Battalion	P 16
Tirado Stresses Defense of Corinto Port	P 16
State Council Approves Associations Bill Articles	P 16
Pastora on More Bombings, Costa Rican Attitude	P 18
[Voice of Sandino]	
Briefs: Social Christian Party Board; Soviet Medical	P 18
Donation; ANN-MTI Agreement	

CUBA

AALAPSO Denounces U.S. 'Aggression' in Lebanon	Q 1
Guinea-Bissau Independence Anniversary Marked	Q 1
Raul Castro Presides Over Santiago Ceremony	Q 1
Marine Contamination Symposium Ends in Havana	Q 2
Briefs: Indian Delegation Visits	Q 2

CARIBBEAN

BAHAMAS

Adderley Reports on Drug Task Force Hearings	S 1
--	-----

BARBADOS

Briefs: Quarterly Trade Figures	S 2
---------------------------------	-----

GRENADA

Briefs: Nova Scotia Loan	S 2
--------------------------	-----

JAMAICA

Seaga Asks IFC To Support Private Sector Bank	S 2
---	-----

ST LUCIA

Eastern Caribbean Central Bank Creation Approved	S 3
Deficit Increases \$890,000 During Second Quarter	S 4

ARMY COMMANDER SUSPENDS TRIP OVER CRISIS

PY291823 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1722 GMT 29 Sep 83

[Text] Buenos Aires, 29 Sep (NA) -- Military sources have revealed that Lieutenant General Cristino Nicolaides, commander in chief of the Argentine Army, has apparently suspended the trip he was planning to make to Caracas next Monday in view of the crisis that has broken out over the negotiations for refinancing the foreign debt.

Nicolaides was planning to travel to Venezuela's capital to participate in a meeting of Latin American army commanders. According to military sources, the critical situation in Argentina has prompted Nicolaides to suspend his trip and send General Edgardo Mario Calvi, Army chief of staff, instead.

PROSECUTOR CALLS AMNESTY LAW UNCONSTITUTIONAL

PY291833 Buenos Aires DYN in Spanish 1527 GMT 29 Sep 83

[Text] Rawson, 29 Sep (DYN) -- It was reported here today that Juan Pedro Cortelezzi, federal prosecutor for this city, has pleaded that law No 22924, the so-called "amnesty law," be declared unconstitutional. Cortelezzi submitted his plea to Federal Judge Omar Garzonio, "both as a public prosecutor and a citizen of this nation."

PROSECUTOR WANTS MASSERA TO SERVE 5 YEARS

PY291629 Buenos Aires DYN in Spanish 1201 GMT 29 Sep 83

[Text] Buenos Aires, 29 Sep (DYN) -- Federal Prosecutor Cecilia Pombo today asked that former Navy commander in chief, Admiral Emilio Eduardo Massera, retired, be sentenced to 5 years imprisonment, and that he be deprived of his political rights for the same period of time. The prosecutor stated that Massera is guilty of concealing evidence and disregarding reports on the disappearance of businessman Fernando Arturo Branca. The prosecutor also asked for 2 years imprisonment and loss of political rights for Marta Rodriguez McKormak for being guilty of perjury.

UNIONS TO HOLD 24-HOUR STRIKE ON 4 OCTOBER

PY290313 Buenos Aires DYN in Spanish 2220 GMT 28 Sep 83

[Text] Buenos Aires, 28 Sep (DYN) -- The CGT [General Confederation of Labor]-Azopardo Street and the CGT-Brasil Street officially announced tonight that they will hold a 24-hour strike on Tuesday.

The announcement was made at the end of a joint meeting held at [words indistinct]. CGT-Brasil leader Saul Ubaldini read a declaration stating that the coercive measure was adopted because "the workers' patience has run out and the deadline set by the CGT's has expired." In the declaration, the CGT's stated that the government has not given a positive and concrete answer to the workers' demands. The two CGT's also (?criticized) the foreign debt renegotiation. The two CGT's decided to create a "coordinating commission" to apply the measure and to ask all sectors to participate in the strike, which is aimed at "preserving the people's dignity."

NEW NICARAGUAN AMBASSADOR TALKS TO PRESS

PY281157 Buenos Aires Domestic Service in Spanish 2000 GMT 27 Sep 83

[Text] The new Nicaraguan ambassador has arrived in Argentina. During the past 14 months, the Nicaraguan mission has been headed by Nicaraguan Charge d'Affaires (Horacio Melendez). The new Nicaraguan ambassador is Dr Ricardo Zambrano. Asked why the Nicaraguan Government had not appointed an ambassador to Argentina, Dr Zambrano answered: [Begin recording] I would like to take advantage of your kind presence here to convey the cordial greetings of my government and its people to the Argentine Government and people. I am afraid I will not be able to answer your questions because I have not yet presented my credentials to the president of the republic. After I present my credentials, I will grant a press conference and I will answer any kind of questions.

[Question] At any rate...

[Answer] Please try to understand my situation.

[Question] Since you are a Nicaraguan diplomat, we would like to ask you why the Nicaraguan Government took so long to appoint an ambassador to Argentina.

[Answer] Well, I believe that the Nicaraguan Government has been very well represented by Charge d'Affaires (Horacio Menendez). We know that diplomatic missions are usually headed by ambassadors. However, the Nicaraguan Government has always been adequately represented in Argentina and the Argentine Government has always been cordial with and shown sympathy for our diplomatic mission.

[Question] Dr Zambrano, could you refer to the status of the Argentine-Nicaraguan relations?

[Answer] The relations are at their best and we are willing to improve them even further.

[Question] What do you think about the Malvinas issue?

[Answer] Well, I believe that the Malvinas belong to Argentina. This is what the Nicaraguan people believe.

[Question] Does that mean we have your support at the United Nations?

[Answer] Well, you know perfectly well that we have always supported Argentina in its sovereignty dispute and expressed solidarity with the people who defend their sovereignty, because defending the sovereignty of the Nicaraguan people is one of the principles of the Nicaraguan revolution.

[Question] Now that you have arrived in Argentina, what will your government give priority to?

[Answer] Well, it will give priority to increasing the brotherly ties in the fields of culture, trade, economy. We will do all the things necessary for the Nicaraguan and Argentine people [words indistinct]

[Question] When will Nicaragua overcome its difficult situation?

[Answer] It will obviously be difficult to achieve because the Nicaraguan problems cannot be resolved overnight. However, we have already gone through difficult situations in the past. Nicaragua will overcome its problems with the understanding, solidarity, and sound judgement of other countries. I believe that we will have peace sooner than we think. [end recording]

GOVERNMENT DENIES EXISTENCE OF GUERRILLA GROUPS

PY291302 La Paz Cadena Panamericana in Spanish 0000 GMT 29 Sep 83

[Text] During a talk with the press, Information Minister Mario Rueda Pena emphatically denied the existence of guerrilla groups in the country. He added, however, that there have been reports about people who reportedly have traveled to Cuba for military training.

Rueda Pena said: The organization of guerrilla groups does not go along with the method of struggle and tradition of the Movement of the Revolutionary Left [MNRI], an organization which has always appealed to the people to confront past dictatorships. He emphasized that the MNRI has always resorted to the masses and that this has been its traditional tactic since 9 April 1952. He added that the MNRI has never, and will never resort to the use of special armed groups in rural areas, because experience has shown that these groups have always failed since conditions for guerrilla struggle do not prevail in Bolivia.

Minister Rueda Pena said that it should not be forgotten that peasants with a thirst for land are the social basis of the guerrilla movement, and that since 1953 Bolivian peasants have become owners of their land; therefore, the main requirement for the existence of guerrilla movements with the massive participation of peasant has disappeared.

The minister said that the following factors should also be kept in mind: the country's geographic situation, its lack of seacoast, the lack of a peasant population in the areas appropriate for guerrilla struggle, and the international situation in this part of the continent which is absolutely unfavorable for the success of a guerrilla movement in the country. The minister said that these factors make a guerrilla movement impossible. He added that it would be ludicrous and illogical to assume that a popular government like that of Siles Zuazo, which came to power through popular elections, is organizing guerrilla groups to destabilize itself.

Minister Rueda said: We are not crazy or stupid enough to organize guerrilla groups which are eventually going to turn against us. He indicated that obviously there are armed groups in the country organized by drug traffickers, particularly in (Senaota), an organized mafia which is concentrating all its power to destabilize the democratic process. He added: We have absolutely nothing to do with these armed groups made up of criminals. The government's only obligation is to energetically eliminate them as soon as possible.

Regarding travel to Cuba, Minister Rueda Pena said that a juridical and constitutional aspect should be considered. He said: We are a democratic country ruled by a Constitution which in Article 7 recognizes, among other rights, that all Bolivians have the right to travel across the nation and to any other foreign country, such as the Soviet Union, Washington, Communist or Nationalist China, France, Sweden, etc.

With these remarks, Minister Mario Rueda Pena eliminated any possibility of the existence and/or preparations of guerrilla groups in the country.

MINeworkers STRIKE CAUSES LOSSES FOR COMIBOL

PY291851 La Paz Cadena Panamericana in Spanish 1700 GMT 29 Sep 83

[Excerpts] The Mining Corporation of Bolivia [Comibol] has lost approximately \$800,000 from the mineworkers strike in seven different districts. The strike has been going on for 10 days now.

This report was released to Radio Panamericana by (Jose Pimentel), member of Comibol's temporary administrative council. He referred to the strike which is affecting seven mining districts. He said that it is causing tremendous losses to the companies, adding that the national meeting of mineworkers' leaders will consider the economic situation in general.

In answer to a question by Radio Panamericana, (Pimentel) stated that the strike is causing tremendous economic losses to Comibol. The strike continues in seven districts, and on its 10th day it has already caused the loss of \$800,000, he stated. [Begin (Pimentel) recording] We must point out that approximately seven Comibol enterprises are on an indefinite general strike, while the remainder are working normally or at least at 50 percent of capacity.

[Question] Can the current losses be estimated at this moment?

[Answer] During the 10 days of the strike losses have amounted to approximately \$800,000. This is causing much concern among us leaders. [end recording]

OPPOSITION SCORES U.S. 'UNTIMELY INTERVENTION'

PY300052 Rio de Janeiro O GLOBO in Portuguese 29 Sep 83 p 4

[Text] Brasilia -- Yesterday the leaders of the four opposition parties sent a letter to Donald Regan, the U.S. secretary of the treasury, in which they voiced their protest against a recent statement by Regan, who expressed concern over the future of Brazil in the face of the possible rejection of Decree Law No 2,045 by Congress. The Brazilian leaders regard that statement as an "untimely intervention that reveals a complete lack of understanding of Brazil's problems."

At the suggestion of PT [Workers Party] leader Ailton Soares, the letter -- which was written by PDT [Democratic Labor Party] leader Bocayuva Cunha -- was sent to Regan through the Brazilian Foreign Ministry.

Itamaraty received the letter last night and will begin studying it today. It was handed to Leite Barbosa, Itamaraty's secretary for Legislative Affairs, after 1900. Itamaraty's Secretary General Baena Soares, who is in charge of the Foreign Ministry in the absence of Minister Ramiro Saraiva Guerreiro, will begin considering the matter today.

The following is the text of the letter:

"The undersigned have been greatly surprised by press reports covering Your Excellency's statement on the Brazilian Congress' opposition to Decree Law No 2,045. This decree imposes a burden on workers, while safeguarding the interests of those who accumulated wealth during the military administration.

"In your statement, Your Excellency voices concern over Brazil's future. Your words suggest the opinion that our country lacks the ability to seriously consider the need for more austere policies.

"It is clear that Your Excellency is not aware of the actual reasons why the Brazilian Congress adopted a position that is in total disagreement with the Executive Branch. It would actually be difficult for a foreigner who does not live in Brazil to understand the reasons for that disagreement.

"The Brazilian people are not afraid of austerity; they want it. But austerity, as an objective, will never be attained through a decree law like decree No 2,045, which fails to enact the measures that could lead to the implementation of an austerity policy. Decree Law No 2,045 reduces the resources and incomes of those whose incomes are already very small.

"In addition, it is difficult to believe that Your Excellency's government, when establishing interest rates that have a decisive influence on the international financial market, will fail to consider the enormous damage caused to developing countries and, particularly, to the Brazilian economy.

"This is why Your Excellency's statement has elicited so many negative reactions among Brazilians. It has been regarded as an untimely intervention that reveals a complete lack of understanding of Brazil's problems."

PRESIDENT ADDRESSES SAO PAULO BUSINESSMEN

PY300333 Brasilia Domestic Service in Portuguese 2200 GMT 30 Sep 83

[Excerpts] President Figueiredo, who has been in Sao Paulo since yesterday, today went to the Pinheiros Club shortly after 1200 where he attended a luncheon given for him by the reelected members of the executive board of the Sao Paulo State Federation of Industries, FIESP. The luncheon was attended by more than 1,000 businessmen and politicians.

FIESP President Luiz de Bueno Vidigal Filho told Figueiredo that the Sao Paulo industrial sector was at the disposal of the Federal Government to help overcome the country's current problems and noted that this is a time for national unity.

President Figueiredo then spoke to express his confidence in the business sector.

[Begin Figueiredo recording] It was with great pleasure that I accepted the invitation to attend this meeting because I once more wanted to convey, through my presence, my unshakeable faith in free enterprise, in a market economy, which are the pillars of a free, democratic Brazil. [end recording]

Figueiredo noted that it is no longer necessary to again outline Brazil's economic problems, or those problems we are all experiencing.

[Begin Figueiredo recording] We know our problems, thus, we must join forces to solve them and carry on our program designed to readjust the Brazilian economy, and to implement an all-out war on inflation. [end recording]

Figueiredo also stated that the FIESP's support for mobilizing the Brazilian society to endorse his economic recovery program reflects the high degree of maturity achieved by the Brazilian business sector, which has understood the type of economic policy the country should adopt, a difficult policy, but which can no longer be delayed.

Figueiredo said it will be necessary to take courageous actions to solve our problems.

[Begin Figueiredo recording] This is not a time for hesitation, but a time for all of us to unite around our national objectives to consolidate the free, democratic society the nation wants to build and preserve.

The government has implemented a coherent economic policy, and there are no feasible alternatives at this juncture. All sectors of society must support this policy and must agree to shoulder their share of sacrifice. Everyone must measure up to his responsibility, because disunity and lack of cooperation could have extremely serious consequences for the nation at this serious time.

I will not for my part, renege on my responsibility as president. I am determined to devote my best energies to promoting our economic recovery, an objective which today has a bearing on our national security itself. [end recording]

Figueiredo concluded by reaffirming his struggle for consolidating democracy and for promoting economic recovery.

[Begin Figueiredo recording] In the face of the support and understanding I have received from the Brazilian people in my struggle for consolidating democracy and for promoting economic recovery, I cannot conceive of the possibility of sacrificing the highest objectives of my government, which are supported by the nation, or yielding to discouragement as a result of this difficult period brought upon us through our struggle against inflation.

I want to express my gratitude for the calm, courageous, and measured position the Sao Paulo business leaders just conveyed to me through the authoritative speech of their president. To fulfill my objective of handing to my successor a country with solid democratic institutions and a growing economy, I must have your cooperation. Thank you. [end recording]

REPORTAGE ON EFFECTS OF DROUGHT, UNEMPLOYMENT

One Dead in Supermarket Raid

PY291525 Paris AFP in Spanish 1414 GMT 28 Sep 83

[Excerpts] Sao Paulo, 28 Sep (AFP) -- The first person to die here during the looting that has been taking place was bricklayer Jose Francisco Ferreira Conteiro, who together with 30 other persons was trying to raid a supermarket in southern Sao Paulo last night. According to a police source, 16 supermarkets have been looted over the last 24 hours.

In both Sao Paulo and Rio de Janeiro, the two most developed cities in the country, looting of supermarkets and foodstores is becoming commonplace. Sao Paulo Governor Franco Montoro of the opposition Brazilian Democratic Mobilization Party said, however, that the looting is not prompted by an political goals but is perpetrated by unemployed persons who are having a rough time.

The day before, approximately 2,000 hungry and desperate women invaded a food warehouse of Jardim de Piranhas, in Rio Grande do Norte State. The drought which has been scourging the Brazilian northeast for 5 years now has severely affected the current situation. The severe economic crisis and the drought have forced hundreds of companies to cease activities, leaving thousands of persons unemployed.

Peasants Invade Cities; Confrontation

PY291622 Paris AFP in Spanish 1401 GMT 29 Sep 83

[Text] Joao Pessoa, 29 Sep (AFP) -- Last night the military police of Paraiba State, northeastern Brazil, used teargas grenades to break up a march of approximately 1,000 hungry peasants who invaded the city of Catole do Rocha seeking work and food.

Local leaders have been saying that the critical situation in northeastern Brazil, scourged by a lengthy drought, could get even worse if the government fails to implement effective measures aimed at alleviating the hardships of the area's desperate and hungry.

Over the last 72 hours, seven Rio Grande do Norte cities were invaded by desperate families of unemployed peasants driven by the drought, and looting was prevented only because the mayors of these cities distributed food to the peasants. Local politicians believe, however, that these measures are only temporary palliatives, and that federal and state governments must design immediate and effective plans to deal with the drought and unemployment because otherwise a social explosion is inevitable. In Pernambuco State, one of the most developed northeastern states in Brazil, approximately some 2,000 peasants who were given employment under emergency programs looted the market of Tabira City because they have yet to receive their August wages. In Irece, Bahia State, also a victim of the drought, a young pregnant woman died from famine. According to the doctors at the local hospital, Maria do Carmo, 24, said upon being hospitalized that she had not eaten anything in 15 days.

SANTIAGO ARCHBISHOP TO CONTINUE MEDIATION

PY291239 Santiago Domestic Service in Spanish 1100 GMT 29 Sep 83

[Text] Santiago Archbishop Juan Francisco Fresno is willing to continue acting as a host for meetings between the government and opposition sectors. The information was provided by Msgr Juan de Castro, head of the Solidarity Vicariate, as he was asked whether there have been any official requests for holding another meeting in the archbishop's residence.

Monsignor Castro said that both Archbishop Fresno and the holy father have expressed their interest in a continuous dialogue as the best way to solve differences. [recorded passage indistinct]

Monsignor Castro said that he did not know whether the next meeting will be held within the next 48 hours, but there have been friendly contacts with both government officials and representatives of other sectors.

Jarpa, Democratic Alliance Meet

PY300001 Santiago Domestic Service in Spanish 2300 GMT 29 Sep 83

[Text] Graciela Contreras has a report for us from La Moneda Palace. [Begin relay] The meeting between the interior minister and spokesmen of the Democratic Alliance has just begun. This is the third meeting between the interior minister and sectors of the opposition. It is being held on 189 Montolin Street of this capital, in a house belonging to the Maristas Brothers. The meeting is also being attended by Francisco Bulnes and (William Teller) who represent other political organizations. This is all the information I have from La Moneda Palace. [end relay]

Meeting Ends Satisfactorily

PY300325 Madrid EFE in Spanish 0230 GMT 30 Sep 83

[Text] Santiago, 29 Sep (EFE) -- Chilean Interior Minister Sergio Onofre Jarpa and the representatives of the opposition Democratic Alliance (AD) said that the third meeting they held today for over 2 hours was satisfactory.

One of the features of this meeting -- called again by the Catholic Church -- was the presence of state advisor Francisco Bulnes who came at Jarpa's request and whose presence was justified because he has great knowledge of the political laws currently under study in the State Council.

AD President Gabriel Valdes said upon coming out of the meeting that they proposed to the minister a program for a return to democracy based on the call for a plebiscite in 1984 allowing a constitutional reform and the creation of a constituent assembly. The program includes the appointment of a commission of former congressmen, AD and government representatives, to prepare within 90 days the following draft law: political party statute, general elections law, electoral registry, and electoral court. Other AD proposals include measures leading to a full democracy, an emergency economic plan against hunger, unemployment, shortage of housing, access to means of communications, investigation of violence, and abolition of the temporary Article 24 of the Constitution.

BISHOP CALLS FOR SOLIDARITY WITH SQUATTERS

PY300003 Santiago Radio Cooperativa in Spanish 1715 GMT 29 Sep 83

[Excerpts] Msgr Manuel Camilo Vial, Santiago auxiliary bishop, has said regarding squatters that there are thousands of families suffering from hunger, cold, and sickness. He called for solidarity with these people. Msgr Vial, who is the vicar of the southern zone, was asked about the squatters' attitude in the last few weeks.

[Begin Vial recording] I believe that the problem is much more serious than it appears to be. I believe we must get to the root of the problem and call on many people to participate in finding a solution. Many ideas are needed and we must do whatever is necessary to find a solution to this problem which, as we said in our declaration yesterday, is getting worse everyday. When I came to Santiago there was talk of a shortage of 700,000 houses and now this shortage is over 800,000. Therefore, I believe that this problem is very serious. [end recording]

The bishop said that every family must make a decision about moving to another part of the country. Msgr Vial reiterated that the illegal takeover of vacant lots cannot be condoned, but emphasized that it is the church's duty to help the thousands of people who are going through great sufferings.

The bishop also said that because of profound humane reasons solidarity should be given to these suffering people. [Begin Vial recording] In reality the legal problem is very serious. These people will probably have to leave the vacant lots. They will have to search for other solutions to their problems, but now we are aware of their problems, and therefore, we are coming out to help, to lessen their suffering. We are going to stand beside these families to solve their material needs. We make a call for solidarity. We call on the squatters to act reasonably, to organize themselves in order to find an effective solution to their afflictions. [end recording]

Police Arrest 30, Banish 15

PY300104 Paris AFP in Spanish 2239 GMT 29 Sep 83

[Text] Santiago, 29 Sep (AFP) -- Today, witnesses reported that the Chilean police arrested at least 30 people when thousands of homeless families took over empty lots on the outskirts of Santiago. Also, according to an official report, 15 instigators of violence were banished to different parts of the country for violating national security.

The police, in addition, arrested three students for participating in a protest demonstration in the eastern part of the city.

JUDGE RELEASES PINOCHET'S SON-IN-LAW ON BAIL

PY291716 Madrid EFE in Spanish 0057 GMT 29 Sep 83

[Text] Santiago, 28 Sep (EFE) -- The judge who heard the case against Julio Ponce Lerou, General Augusto Pinochet's son-in-law, indicted for libel, set him free today on 5,000 pesos (\$62) bail. The suit was filed by attorney Ricardo Claro and former Temuco District military attorney Alfonso Podlech, who termed offensive the remarks made against them by Ponce Lerou to the weekly magazine QUE PASA. QUE PASA interviewed Ponce.

Ponce accused Ricardo Claro and Alfonso Podlech of contracting reporter Viviana Schnitzer to write for 3 months an "anonymous" article, which was disseminated among high-ranking authorities, in which he was accused of illegal enrichment.

After questioning Ponce and the reporter, who appeared at the court together, and after studying other evidence, the judge felt that there was sufficient proof for an indictment, a decision that was forwarded to Ponce today with a warrant for his arrest, which was immediately counteracted by his release on bail.

Ponce stated that as a result of these events, he was going to file suit against the two lawyers who denounced him, and it has been learned that reporter Schnitzer, considered a key element in the case, left the country last week to take up temporary residence in France.

INTENDANT DENIES JOURNALISTS' ASSEMBLY REQUEST

PY300209 Santiago Radio Cooperativa in Spanish 1715 GMT 29 Sep 83

[Excerpts] The Santiago intendant refuses to authorize a journalists' demonstration in support of the director of the magazine ANALISIS who is currently in jail. The Metropolitan Council of the Association of Journalists have protested this decision.

The Association of Journalists requested authorization to carry out a peaceful demonstration starting from the association's headquarters on (Munatigui) Street and to end at the public jail, but the Santiago intendant, General Roberto Guillard, sent the association a note indicating that the demonstration would not be authorized due to the heavy traffic in the downtown area and the obstructions which a demonstration of this kind might create to the movement of people in the area.

In view of this situation, the Association of Journalists delivered a public declaration indicating that the peaceful demonstration was going to be held without obstructing traffic; that the journalists were going to walk in two columns carrying no other weapon but their press cards in their hands. The declaration added: We fulfilled the legal requirement of notifying the general 48 hours in advance.

In conclusion, the Association of Journalists expressed its most energetic protest for this decision, calling on journalists to meet tomorrow, Friday, at 1030 in front of the public jail to express their solidarity with the director of the magazine ANALISIS, and also to participate in an act for the right of freedom of expression next Monday, 3 October, at 1900 in the university chapel.

ONE HUNDRED PERSONS BEGIN HUNGER STRIKE

PY300229 Paris AFP in Spanish 0122 GMT 30 Sep 83

[Text] Santiago, 29 Sep (AFP) -- Tonight it was reported in this capital that around 100 persons began a hunger strike in protest for the injustice and lack of respect for human rights prevailing in Chile. It was reported to AFP that the hunger strike being held in the Chilean Human Rights Commission (CCHDH) involves intellectuals, employees, workers, and students. The group, made up of persons of various political tendencies and religious beliefs, is headed by attorney Jaime Castillo, CCHDH president, who recently returned to Chile from exile.

The declaration released by the strikers indicate that the recent national protests were a clear demonstration of the people's general discontent, protests which generated violent government repression. The document emphasizes that the government has particularly attacked the low income population in their own homes, a condemnable situation which resulted in deaths, wounds, and injuries. The declaration explains that in view of this situation, multiple sectors of the population have decided to express their discontent in the most peaceful way possible by staging a hunger strike.

We want to continue and expand this practice. We see in it a way to overcome the fear which we have lived with for the last 10 years, said the strikers who are going to end their hunger strike at 1600 next Saturday.

HAVANA CITES 1983 INCREASE IN DETENTIONS

PA290359 Havana International Service in Spanish 1600 GMT 28 Sep 83

[Excerpt] The Chilean Human Rights Commission reported that 7,049 people have been arbitrarily detained in the first 8 months of this year. This figure is almost seven times larger than the number arrested during the same period last year.

DEMOCRATIC ALLIANCE LEADER VALDES OUTLINES VIEWS

PY280100 Santiago EL MERCURIO in Spanish 18 Sep 83 p D 5

[Interview with Gabriel Valdes, leader of the Democratic Alliance, by Raquel Correa -- date and place not given]

[Excerpts] [Question] The minister secretary general of government stated on a television program this week that he hoped that the opposition would continue acting as in the past, because the best help the government has is the opposition.

[Answer] If the government feels that it has the support of a large sector, we could have elections very soon so that the people might decide where the majority is.

[Question] Do you understand perfectly that this comment means that the opposition is making so many mistakes that it has ended up favoring the government?

[Answer] I think the government made a gross mistake by gathering together its own crowd, which nobody can deny, and celebrating the 10th anniversary of the military coup. However, no more than 25,000 persons made up of workers of PEM [Minimum Employment Program] and of POJH [Employment Program for Household Heads] and public employees attended the ceremony, giving the government the false impression of popular support which will be fatal.

[Question] People also say that you are too emotional, that you get indignant like an offended gentleman if you get wet in a rally and that you suspend dialogue that could have been vital to the country.

[Answer] I believe I have a normal share of emotions, which has been somewhat decreased after 16 years of international living where emotions have to be controlled. Getting wet did not make me angry. On the contrary, we laughed a lot with the U.S. television operators. What made me angry was having my foot hit by a teargas bomb hurled 6 meters away from me and which seriously asphyxiated me. According to the doctor who treated me, it could have caused a heart attack.

[Question] And you were upset and stopped the dialogue...

[Answer] The dialogue has been suspended, not ended. It is just a period of waiting. What happened to me, to Patricio Aylwin, to Genaro Arrigada, to Marcial Mora, or to Dr Juan Pequeno who are leaders of the Democratic Alliance, surely was not considered.

[Question] People also say that you allow yourself to be used by the opposition's extreme left; that you do not really want a real understanding, and that you caused the dialogue with the government to fail. Is this due to the lack of political expertise or because that is what you wanted from the very beginning...

[Answer] I do not allow anyone to use me. I express and fulfill the agreements of my party and those of the Democratic Alliance. These distortions are very old and do not worry me. The dialogue has not failed. I have always been and still am a believer in dialogue.

[Question] It is said that you called for a rally which failed -- the sit-in strike on the fifth day of national protest -- that the opposition did not attend, and that it was poorly organized.

[Answer] The sit-in strike at Italia Square was ordered, and almost all the Alliance leaders responded favorably, but were prevented from arriving at the place. Only a few of us managed to get there and sit on the benches at Balmaceda Square. It was not intended to be a rally of people, but of leaders and of university students in order to read a declaration. It was less than a march.

[Question] It was also said that you rejected the authorized rally at O'Higgins Park because you were afraid that being so few, the number of participants could be counted, and that despite everything that the government has given up, you were unable to suspend the latest protest, regardless of the risk it involved for the people...

[Answer] Your questions are not at all courteous -- he complained. They are all so negative...The general consensus was that the area was too large for a rally that could be mobilized under current circumstances. To fill that park would require at least 500,000 or 600,000 people, which involves an organization and an important mobilization, which we were not in a position to do. The people are afraid...There are moments of the government, and there are moments of the opposition. The day 11 September was the day of the government and of the Popular Unity, but not of the Democratic Alliance. But I am certain that the future will be ours.

[Question] Sectors which are so different from each other such as the Republican Right and the Marxist socialists appear to be united within the Democratic Alliance....

[Answer] That is correct. Antagonistic forces that had fought angrily in the past have managed to sign a very broad and precious agreement after months of negotiations. This has been an exemplary action of generosity and of democratic practice.

[Question] However, internal disagreement is no mystery, especially with the socialist sector which made up the Popular Unity....

[Answer] The Chilean Socialist Party has been united to the Communist Party and to other leftist groups during the past 40 years. The entry of democratic convictions into the Socialist Party and other lesser leftist sectors and the Socialist rapprochement with the Democratic Alliance provoked a rupture of this traditional Communist-Socialist union.

For Socialism this has been a slow and difficult process, as it has been in Europe in many cases. It is extremely important and positive for Chilean democracy to have a Socialist Party now participating in the Alliance. This is a rupture of the traditional alliance with the Communist Party and the definition of a fundamental political theory: to choose the peaceful way.

[Question] Why has the Democratic Alliance chosen a policy of ideological exclusion, leaving the Communist Party aside?

[Answer] The position of the Democratic Alliance regarding the Communist Party has been unanimous from the very beginning. Only those who have similar ideas on democracy are included in the Alliance. All parties that make up the Democratic Alliance can participate in the government through a coalition, or they can alternate with each other in government.

[Question] Concretely, why did you leave out the Communist Party?

[Answer] The Communist Party has a very different idea of democracy, and in the case of Chile, an ambiguous position -- to say the least -- regarding the nonviolent or peaceful way.

[Question] In other words, Mister Valdes, are you for or against Communism?

[Answer] I am a democrat, inspired by humane Christian principles. I am against any system of totalitarianism, and in this sense I am against Communism, because I condemn all regimes that restrict freedom under any pretext and against regimes which violate the freedom of persons.

[Question] Does that condemnation of the Communist Party include Marxism?

[Answer] No. Marxism is a philosophy of interpretation of social and economic events which turns, through Marxism-Leninism, into totalitarian regimes. But it also inspires, to a lesser or greater extent, perfectly democratic political movements, as in the case of the Spanish, Italian, Swedish, and French Socialists which are in power and which are as democratic as other political movements inspired by other philosophies.

[Question] What do you think of the union of the most radicalized political groups of the left, such as the Communist Party, the MIR [Movement of the Revolutionary Left] and the Christian left, in a Popular Democratic Front in opposition to the Democratic Alliance?

[Answer] The political movements which are not included in the Alliance and whose significance in social life varies try to unite on extremist positions which I consider mistaken, contrary to the democratic interest. In conclusion, they can fall into a violent policy which could play the game of authoritarianism. I believe that there are not many Chileans who hold that position.

[Question] Is it not possible for the Democratic Alliance to join that popular front?

[Answer] No. It is not possible. The Democratic Alliance is made up of a group of parties which have elected among them to build an alternative solid, stable, and clear government. It is an alliance that calls on all Chileans who believe in democracy, even those who once believed that the current regime would solve the problems.

The situation of the country is serious, so serious that it requires the participation of all Chileans, regardless of their ideas, provided that they are loyally democratic.

[Question] Pedro Felipe Ramirez, former minister of the Christian left during Allende's government, said in the latest issue of ANALISIS that "whoever talks with Pinochet's political or legal representative ends up talking indirectly with Pinochet."

[Answer] I do not see a political dialogue if it is not with the government. It is a matter of looking for basic guidelines to reach a democracy.

[Question] And because dialogue is urgent you suspended it instead of accelerating it?

[Answer] We have taken time out to see if there really exists a desire to achieve the only solution to the current crisis: democracy. We want dialogue, but we want it to be public, and Minister Jarpa has said that it is private. We want an agenda on the subjects to be discussed in depth and a clear course to be followed.

[Question] The course to be followed is included in the political Constitution.

[Answer] We do not want the course imposed by the Constitution. There is no dialogue on that basis; it is an imposition.

[Question] Why did you choose dialogue if what you want is to overthrow the government?

[Answer] We chose dialogue to present to the government representative the proposals of the Democratic Alliance, which implies the need to quickly arrive at the free election of a constituent assembly.

[Question] Are you thus asking for the government junta which is acting as a legislative branch to go...?

[Answer] The constituent assembly can be called even with the current Constitution prepared by this regime. We have asked for a constituent assembly because we feel that there is no other alternative to return power to the people. Neither the current Constitution nor the authorities are ruled by a consensus, but by a progressive division. We are asking for quick elections not only to solve the political problem, but also to change the economic situation. If the government is so satisfied with its demonstrations of support, why doesn't it submit itself to the legal judge -- free and well-publicized elections after 10 years?

[Question] You have not answered the question whether the objective of the Alliance is to overthrow the government.

[Answer] The word overthrow is not correctly applied. To overthrow involves the use of force. We hope to end this regime.

[Question] Minister Jarpa has said that this shows a lack of political realism, that it is a preposterous idea and that the government does not accept a dialogue under these conditions. Involves requesting the overthrow of the government which is ordering the dialogue and which gives him the power he has.

[Answer] We do not propose the resignation of Pinochet as a previous condition for a dialogue, but if a constituent assembly is elected, we would have advanced in the search for an agreement. We are in absolute agreement within the Democratic Alliance, and we also feel that the overwhelming majority of the Chileans are in agreement that General Pinochet does not meet the requirements to conduct a democratization process. We propose, therefore, the search for a person who can bring the people to a national consensus.

[Question] What interest do you think the government has in this dialogue with the opposition? Is it trying to save the regime, to save time, or is it trying to overcome the critical situation of confrontation in the country?

[Answer] The government has realized that the economic situation smothering the country, and political exhaustion, have forced it to look for social support outside its own circles. What I do worry about is that the government is doing so without admitting that political parties do exist, although no law on political parties exists; that the opening must be carried out in an orderly manner -- in agreement -- with a public timetable, and not in disorder. The democratization process cannot be an outburst; it has to be a progressive national agreement whose sole objective will be to appeal to the people, because sovereignty stems from them.

[Question] As things stand now, do you think that a dialogue will prosper?

[Answer] I have absolute faith in dialogue as an instrument of agreement among civilized persons. The other alternative is violence, which I categorically reject. Unfortunately, violence is a possible alternative if the government continues arrogantly to impose its Constitution, its force, its economic model and its threats for another 6 years.

[Question] And could not the opposition also be accused of arrogance for refusing to admit the positive steps already taken by the government in the opening process, such as the end of the state of emergency and the authorization for the return of exiles....?

[Answer] I personally acknowledged to Minister Jarpa what he had done, but we cannot thank an authority, as a graceful concession, for exercising rights that all Chileans have by the fact of being born in Chile. Let the exiles return, but they should have never been exiled in the first place. The state of emergency is suspended after 10 years. How can we thank him? It would be a monstrosity. Article 24 is not applied. It is a voluntary and arbitrary renunciation of a prerogative he should have never had, because we do have traditional laws for this purpose.

[Question] You feel that the government has not given up anything?

[Answer] The government has admitted some of the rights we Chileans have. The government has also made vague announcements regarding future changes. For example, it announced a plebiscite, but it did not set specific date for it. We want precise announcements so we can decide whether they are serious. Furthermore, you must not forget that the economic situation is not included in the dialogue.

We cannot have a political outcome without a major change in economic policy. Minister Jarpa announced a radical change in the economic policy to truck drivers, and he repudiated the abuses committed by economic groups. However, the president made no mention of this change in the speech he delivered a few days after Jarpa's statements. This means we are back to scratch. No solutions have been found to the three most stifling economic problems, which are the foreign debt, the excessively high debts that the productive sector have contracted with banking institutions and which the firms find impossible to pay, and the pathetic high unemployment rate. The economy must be reactivated to resolve these problems. And to reactivate the economy we must obtain foreign loans and overcome the foreign bottleneck. We cannot reactivate the economy with renegotiation of the foreign debt. This requires an international political solution which will only be possible, in our relations with the United States and Europe if Chile returns to democracy. Therefore, a fast return to democracy will resolve the economic problem; ease social tension because the people will have more participation, and permit a reconciliation of the Chilean people.

[Question] The government has stated that if you do not want to continue the dialogue, other people will be willing to do so.

[Answer] The government has the right to hold talks with whoever it wants, and, as a matter of fact, this is what it is doing. However, we believe that we represent the majority of the people as far as politics is concerned. Therefore, who will the government hold a dialogue with if it is not with us? Will it do so with the Communist Party? I do not think that talking with the right is worth any end because the right forms part of the government.

[Question] Do you think that the government wants an opening?

[Answer] In general terms, I do not believe that the government wants an opening, but I do have faith in the fact that politicians such as Sergio Onofre Jarpa understand that the situation is extremely difficult. This is what he has told us. If Jarpa obtains support and becomes more moderate, he might reach progressive agreements on the issues I mentioned earlier.

[Question] In sum, Mr Valdes, are you willing to continue the dialogue? In contrast to the government, you have closed the doors to an understanding.

[Answer] I repeat that we are willing to hold a dialogue, but only for the purpose of a political change and not of backing a regime which we believe is responsible for the crisis and is not willing to change its policy. During our second meeting with Minister Jarpa, we agreed to hold another meeting without the good offices of people such as the archbishop. We did not set any specific date for this meeting. However, immediately after our second meeting, both President Pinochet and Minister Jarpa began to attack the opposition. So we decided to take our time in order to reflect.

SALVADORAN COMMISSION, REBELS HOLD MEETING

PA291928 Paris AFP in Spanish 1846 GMT 29 Sep 83

[Text] Bogota, 29 Sep (AFP) -- A meeting between the Salvadoran Government and guerrillas, held today in Bogota, ended after 3 and 1/2 hours, apparently without reaching any conclusions, but with the announcement that other meetings will be held in the future at some undetermined location.

Colombian President Belisario Betancur, who served as mediator and spokesman for the two parties, sounded optimistic during an impromptu news conference with journalists.

According to the president, "everything took place in total harmony." "There is a real will to achieve peace."

Participants in the dialogue included industrialist Francisco Guinonez, Msgr Marco Rene Revelo, and former Foreign Minister Guillermo Trabanino representing the Peace Commission; and David Mena, Marisol Galindo, Jorge Villacorta, and Dagoberto Gutierrez representing the guerrillas.

Betancur, who apologized to journalists for "being so vague," explained that the two parties' proposals "must now go through a process of analysis and discussion." He added that "no definitive decisions were made today."

President Betancur later said that all points of view were discussed at the meeting and that "the door has been left open for future meetings in the places and at the times that will be announced once they (the two parties) reach agreement on this."

Talks Stalemated

PA300241 Paris AFP in Spanish 0042 GMT 30 Sep 83

[Text] Bogota, 29 Sep (AFP) -- An open difference in opinion between the Salvadoran Government and guerrilla groups was revealed here today following a dialogue held between the two parties under the mediation of Colombian President Belisario Betancur. During separate press conferences, the Salvadoran Peace Commission admitted to a break in the talks, while the FMLN-FDR representatives asserted their willingness to continue a dialogue.

Peace Commission President Francisco Guinones said after the meeting in Narino Palace: "We leave discouraged," and added that no new contacts are foreseen because "the guerrilla groups rejected our proposals and the dialogue."

To the surprise of the news media, the FMLN-FDR spokesmen asserted that they "did proposed, and in writing" a new meeting, for a still undetermined date, but did not say if it would be held in El Salvador. "We gave three documents to the Peace Commission which represents President Alvaro Magana's government, with specific proposals to achieve solutions to the civil war being experienced in our country," they added. They also revealed that the proposals include a "national debate" with the participation of political party, church, union, and university representatives to study the origins of the conflict, alternatives, and possible specific solutions to end it.

Another proposal presented by the Salvadoran guerrillas was the "negotiation of a new government" which guarantees elections that would be called in the future. They insist that new meetings should be held in El Salvador, "because the conflicts of our country must be solved within our borders, so that the people are aware of what is happening."

The Salvadoran Peace Commission -- comprised of Francisco Quinones, Monsignor Marco Rene Revelo, and former Foreign Minister Guillermo Trabanino -- insisted that the guerrilla representatives "were categorical and emphatic" in their rejection of new contacts. They admitted that the guerrilla representatives had presented some proposals in writing, "but they are unacceptable."

Quinones said that the arguments presented by the FMLN-FDR cannot be considered because "they want a de facto government, a vaguely sketched democratization process, and the institutionalization of war to achieve power."

Monsignor Revelo stated that "they demand and we received" and he asked if "perhaps on unreasonable reason would prevail?"

Government representative Quinones, after revealing that they had invited the Salvadoran guerrilla groups to participate in the next elections in El Salvador, asserted that the elections would be held with full guarantees to assure a "pure and honest" electoral process.

Quinones indicated that the democratization process and the Salvadoran elections scheduled for next year will continue, despite the rupture in the dialogue and the guerrilla groups' armed opposition; he also expressed his hope that the guerrilla groups would not increase hostilities.

FMLN representative Marisol Galindo asked that if "the Salvadoran Government could not guarantee the lives of its own officials, how could it guarantee an electoral process?" She stated that the people's desires had never been supported in her country and recalled the massacre unleashed in the Central Park of San Salvador on 28 March 1977, after the elections that year. She asserted that President Alvaro Magana's government is "weak and subject to the United States' control."

FMLN member David Mena denounced the government as trying, through the Peace Commission, to make the guerrilla groups put down their weapons and surrender. "this is not possible, because our army is the people's only defense." Lastly, he stated that the guerrilla groups are capable of winning, and "we will continue struggling until we achieve our just rights."

Havana Report

FL292034 Havana Domestic Service in Spanish 1419 GMT 29 Sep 83

[Text] The first formal conversations between representatives of the Salvadoran revolutionary forces and the governmental Peace Commission will begin today in the capital of Colombia. The Salvadoran revolutionaries are represented by (Bobisnena), Jorge Villacorta, Marisol Galindo, and Dagoberto Gutierrez. The government is represented by Francisco Quinonez, Guillermo Trabanino, and Bishop Marco Rene (Rebello).

At today's meeting, agreement should be reached on agendas, procedures, dates, and future meeting places for the two participating groups. The revolutionary forces have reiterated that they will not participate in the elections that will take place in El Salvador, because they believe that elections are not the first step in the negotiations but the result of the conversations.

CALI POLICE-STUDENT CLASH CAUSES CASUALTIES

PA281835 Bogota Cadena Radial Super in Spanish 0000 GMT 28 Sep 83

[Text] Cali -- A 14-year-old student was killed and five other people including a woman -- wounded by gunfire this afternoon during an unexplained incident in Cali when a police patrol trying to break up a group of hooded people in front of the (INEM) secondary school had to take action against the demonstrators.

The student killed by the police was identified as Felipe Arce Cruz, while the wounded (INEM) students were identified as Milton Fabian Monroy; Alexander Giovanni, 12; Alvaro Herrera 14; and Francisco Valderrama. Ana Munoz, who is 5 months pregnant, was hit by a bullet that pierced her right lung. The wounded were admitted to various health centers and efforts are being made to save their lives.

ELN CLAIMS RESPONSIBILITY FOR JOURNALIST'S DEATH

PA291218 Buenos Aires LATIN in Spanish 2124 GMT 28 Sep 83

[Text] Bogota, 28 Sep (LATIN-REUTER) -- It has been officially reported that Domingo Cuello Pertuz, a lawyer employed as an investigator for the attorney general's office, was shot to death today in the western Colombia city of Medellin by a squad of guerrillas. The incident took place 24 hours after columnist and lawyer Nelson Anaya was murdered in the same city.

Cuello Pertuz was stopped as he left his home, and was shot six times by his assailants, who fled in two vehicles, according to the authorities. Alvaro Montejo, regional attorney in charge, told this agency that Cuello Pertuz had been constantly threatened since he began his investigation into the death of guerrilla Luis Fernando Builes, a member of the self-styled National Liberation Army (ELN) who was killed in fighting with police several months ago.

The ELN claimed responsibility for Cuello's death through a telephone call to the Medellin attorney's office.

The authorities have announced that defense committees will be formed with citizens' participation to combat organized crime in Medellin. This action also comes in response to a message sent by President Belisario Betancur to the attorney general immediately after Anaya's death, in which he called on government officials and citizens to show the necessary solidarity in order to "build a wall against barbarism."

LARA BONILLA CLAIMS VICTORY ON 'HOT MONEY' ISSUE

PA292036 Bogota EL SIGLO in Spanish 25 Sep 83 pp 1,2

[By Eduardo Carrillo]

[Text] Justice Minister Rodrigo Lara Bonilla has put an end to debate on the so-called "hot money" issue by saying that he won the battle against crime and drug trafficking, since the Constitution and justice prevail over those who operate outside the bounds of the law and democracy.

During ceremonies at the National Penitentiary commemorating the International Day of Mercy, the minister accused drug traffickers of committing a most grievous crime against Colombia, which they try to conceal with their fabulous fortunes.

In addition, the minister accused drug traffickers of attempting subversion by supplying arms to guerrillas who attack legal democratic institutions. He also accused drug traffickers of working against the drug organizations themselves in order to safeguard drug plantations.

Lara Bonilla denied that his ministry intervened in the decision taken by Gustavo Zuluaga Serna, tenth superior judge of the Medellin Judicial District, who on 24 September issued an arrest warrant against controversial Liberal parliamentarian Pablo Escobar and his cousin, Gustavo Gaviria Riveros, for the murder of two members of the Security and Control Department.

Lara Bonilla stated that the charges filed by Escobar Gaviria are far too serious, and added that everyone knows that the Justice Ministry only supports and keeps watch over its administration.

He said that the country's judges are entirely independent. Their appointments or the permanency of their positions do not depend on the Justice Ministry. The minister could not cite authoritative pronouncements in specific cases.

What we must do is ensure that the system works. What we must ask of the judges is that there be no impunity, and that criminals be kept in prison. Lara Bonilla said: "We would do well to remind all those who have tried to erase their past misdeeds with money and favors that justice prevails here and that they must answer for the crimes they have committed."

Regarding the specific case of drug traffickers, Lara Bonilla said that justice may be slow, but it achieves its objectives. In this particular instance, justice had been delayed, but I have full confidence in Colombian judges because they are truly able. Despite the faults in the organizational aspects of administration of justice, there is still some justice left in Colombia.

In addition, the minister stated that the country's judges have the moral support and protection of the nation, as well as the necessary support of the authorities so that they can comply with their responsibilities.

Regarding the "hot money" debates, Lara Bonilla said that he not only won the battle, but he also does not fear his enemies, because it is those who commit crimes against Colombia who ought to be afraid.

BRIEFS

OIL PRODUCTION FIGURES -- The Colombian Petroleum Enterprise and seven other associated companies produced 150,270 barrels of oil per day in June, which is the highest in the past 7 years, and is an increase of 6.6 percent over the same month in 1982. A study made by the Colombian Association of Geologists and Oil Engineers has estimated that total production during the first half of the year was 26.2 million barrels. Total production during the first half of 1982 was 25.3 million barrels. [Excerpt] [Bogota EL TIEMPO in Spanish 11 Sep 83 p 9-A PA]

FOREIGN EXCHANGE DECREASE -- The Bank of the Republic has reported that the nation's foreign exchange reserves at the end of the first half of the year stand at \$3,947,400,000, that is, a decrease of \$1,368,800,000 from the same period in 1982. Colombia's incoming revenues totalled \$1,758,300,000, while expenditures totalled \$2,714,300,000, leaving a deficit of \$956,000,000. [Summary] [Bogota EL SIGLO in Spanish 13 Sep 83 pp 1,2 PA]

HAVANA CONTINUES REPORTS ON STRIKE RESULTS

PA290321 Havana International Service in Spanish 1600 GMT 28 Sep 83

[Text] Spokesmen of the General Confederation of Peruvian Workers have reported that the 24-hour strike begun yesterday to protest the government's economic policy was almost total.

Approximately 300 people were arrested and 2 youths were shot in poor neighborhoods in Lima. The strike was practically complete in cities such as Cuzco, Arequipa, and El Callao. Heavy fighting was reported between students and policemen in Lima.

The strikers are demanding wage hikes to face inflation, which has surpassed 100 percent so far this year.

NAVAL BASE TO BE BUILT IN PORT OF CHIMBOTE

PY280200 Madrid EFE in Spanish 0306 GMT 26 Sep 83

[Text] Lima, 25 Sep (EFE) -- It was reported today that a law creating a naval base in the Peruvian port of Chimbote, 440 km north of Lima, will be approved by Peruvian President Fernando Belaunde during the first week in October.

Jaime Cheneffusse, president of the Senate National Defense Committee, said that the project, which was submitted by the executive branch, was recently approved by the Senate.

The senator, who is a member of Popular Action, said that the initial cost to start building the naval base will run approximately \$200 million.

Cheneffusse indicated that this project "will be very beneficial" for Peru in the economic, social, and cultural aspect, and that Chimbote will become "a center of development."

He added that 8,000 families of the Peruvian Navy will move into the Chimbote area. The law will be approved the first week in October during the anniversary celebration of the Navy.

GOVERNMENT SEEKS TO CHANGE 1979 GATT AGREEMENT

PY291813 Montevideo Radio El Espectador Network in Spanish 1600 GMT 29 Sep 83

[Excerpt] The government has decided to denounce its 1979 agreement with GATT so that it can be free to make export tax refunds. The decision was adopted at a meeting of the National Security Council, during which the industry and energy minister reported on talks he held with U.S. delegates. The mines and industry minister was invited to attend this meeting.

The talks failed and now Uruguay will start consultations with signatory countries of the Geneva-based GATT. Uruguay expects that by denouncing the GATT agreement, exports can be stimulated, along with the badly depressed national economy.

Minister Juan Chiarino Rossi told Radio Espectador:

[Begin recording] I reported this morning on the talks I held in the United States regarding our relations with GATT [words indistinct]. On the basis of this report and the various alternatives I proposed, the government has decided to ask GATT for changes in our 1979 agreement. We simply believe that the situation has now changed, and therefore we want to make some changes to that agreement. To do so we can invoke Article 14 of that agreement, whereby developing countries can institute export subsidies to the extent that market competition and national development make them necessary. We believe that now, as a temporary measure, the export sector needs those subsidies in order to lead the way toward our economic recovery. [passage indistinct] We think that can be accomplished by subsidizing exports, but obviously the extent we can do this is limited by the possibilities of the national treasury which, as you well know, are not very great at this time. [end recording]

BLANCO PARTY LEADER DEPRIVED OF POLITICAL RIGHTS

PY291922 Madrid EFE in Spanish 0848 GMT 29 Sep 83

[By Alberto Pepe Leira]

[Excerpts] Montevideo, 29 Sep (EFE) -- For the first time since the political opening launched in 1982, the Uruguayan military regime has taken steps against a rehabilitated politician by depriving Blanco Party leader Eladio Fernandez Menendez of his political rights for 2 years.

The ban, which is another landmark in the hardening of the Uruguayan de facto regime, was conveyed to the political leader last night when he was released after 5 days during which he went on a hunger strike.

Shortly before midnight yesterday, Fernandez Menendez -- who was the second most popular candidate within the Blanco Party at the party elections in November last year -- was released from prison after being told that his political rights had been taken away.

The politician, very weak after the 5 days of the fast which he staged to protest what he viewed as an arbitrary arrest, did not want to talk to the international press for the time being. In Uruguay, reports on his arrest, hunger strike, release and loss of political rights have not been disseminated because of the existing restrictions on freedom of expression. Thus, the issue has been discussed only abroad.

ECHEVERRIA WARNS OF THREAT OF NUCLEAR WAR

FL290132 Mexico City NOTIMEX in Spanish 0055 GMT 29 Sep 83

[Text] Mexico City, 28 Sep (NOTIMEX) -- Former Mexican President Luis Echeverria today warned that Latin America is threatened by nuclear war, a clear reference to the Central American conflict. Echeverria, the present director of the Center for Third World Economic and Social Studies (CEESiEM), said he feels that the neocolonialist forces that are threatening Latin America are at the same time provoking the threat of a nuclear war.

He called for Latin American unity to defend ourselves from a future that could be more dangerous than the past. The Third World should unite to propose global peace programs as part of a new international economic order.

Anyone who tries to analyze a country's problems without taking into consideration what is going on in the rest of the world is making a mistake, he said in closing.

GOVERNMENT RESTRUCTURES PART OF EXTERNAL DEBT

FL292040 Mexico City NOTIMEX in Spanish 1435 GMT 29 Sep 83

[Excerpt] New York, 29 Sep (NOTIMEX) -- Mexico today restructured \$8,432,000,000 of its external debt obligations, which were contracted by five national public sector organizations with the international financial system. With the second package, the medium- and short-term debt is restructured, and the remaining 5 percent will be arranged for during the course of the next few weeks.

DEVALUATION STIRS OPPOSITION, LABOR CRITICISM

Production Promotion Demanded

PA292205 Mexico City EL UNIVERSAL in Spanish 24 Sep 83 pp 1, 9

[Article by Bertha Fernandez]

[Excerpts] Opposition political parties have criticized the fact that measures tantamount to a devaluation are not being labeled as such, and demanded at the same time that production be strongly promoted to avert the negative effects of the measures that have been adopted.

Sergio Lujambio, a member of PAN (National Action Party), said that the decline of the peso reflects the current dramatic situation being experienced in the country. However, he added, realistic measures have not been taken because the peso should be devalued by 30 or 40 percent for Mexico to cope realistically with the current situation and avoid subsidizing the dollar.

Pedro Penaloza, a member of the PRT [Revolutionary Workers' Party], pointed out that the devaluation had been kept a secret. He added that the devaluation is only the monetary aspect of the economic crisis in Mexico, which is experiencing serious problems despite the optimistic announcements made by government spokesmen. Penaloza said that it would not be unlikely for the peso to slide even more abruptly, because we are not buying or selling anything, but we import 7 billion tons of food. Penaloza also said that the devaluation is the best answer to those official spokesmen; it exploded in their hands and their faces.

Jesus Zamora, a member of the PDM [Mexican Democratic Party], said that the peso was already known to be sliding. He added that what we need to do now is strengthen the nation's currency to avoid an eternal devaluation, as has been the case with the public debt. Mexico is a natural buyer of the United States and continuous devaluations only serve to increase the price of basic products. This is why we must promote agricultural and industrial self-sufficiency to decrease purchases from abroad, he said.

Francisco Ortiz Mendoza, a member of the PPS [Popular Socialist Party], said that the peso's exchange value in relation to other foreign currencies is not one of the main problems of Mexico's economic development. The most important factor is what is backing the peso. He added that it is imperative to extensively develop raw materials, industry, and production.

Jaime Trejo, a member of the PSUM [United Socialist Party of Mexico], said that the decline should be called by its name, a devaluation. He said that the euphemism is part of a campaign being carried out by government officials to portray the state of the economy as being positive, which does not reflect the real situation. Trejo added that these government claims of a positive state of the economy are not true. They are designed to distract the public. In conclusion, the PSUM spokesman said that the crisis has not yet been controlled, and the announcement that exports will increase is false because there is nothing to be exported since production has decreased.

Restoration of Wage Levels Urged

PA292143 Mexico City EXCELSIOR in Spanish 26 Sep 83 p 4-A

[Article by Aurelio Ramos M.]

[Excerpts] Angel Olivo Solis, leader of the Revolutionary Labor Confederation, COR, yesterday said that the devaluation of the peso does not in any way benefit the working class, the peasants, or the poor people in general. He demanded the establishment of a policy to restore real wages to previous levels. Olivo Solis said: The decline of our currency will lead to nothing more than an increase in prices.

He pointed out that a retrogressive redistribution of income in favor of capital and at the expense of the proletariat is the cause of all devaluations. This measure, he added, does not in any way benefit the masses. On the contrary, the people will have to sell their labor more cheaply and, in the process, will have to sacrifice their present and future.

The party leader said that the Bank of Mexico's decision to devalue the peso by 13 cents a day will result, in the short term, in another decrease in the standard of living of working peasants, day laborers, and the people in general, who have already been weakened by the effects of the economic crisis.

In addition, the Labor Congress also criticized, unofficially, the government's request for a greater degree of social austerity, because real income decreased by 24 percent during the first half of this year, according to records from the Bank of Mexico.

NATIONAL GUARD REORGANIZED AS 'DEFENSE FORCES'

Legislative Council Approves Bill

PA291937 Panama City Circuito RPC Television in Spanish 1730 GMT 29 Sep 83

[Excerpt] At dawn today, the National Legislative Council approved, during the second debate, the bill on the National Defense Forces of Panama.

The bill must now be approved by the executive branch. If approved, the new law will provide the legal framework for restructuring the National Guard.

YA Cites New Structure

PA291637 Panama City YA in Spanish 29 Sep 83 pp 4, 19

[Text] The Panamanian National Guard is to be restructured and will operate under the name "Defense Forces of the Republic of Panama." This new organization will include: 1. the National Guard; 2. the Panamanian Air Force; 3. the National Navy; 4. the Panama Canal Defense Force; 5. the police force; 6. the National Traffic Directorate; 7. the National Department of Investigations; 8. the Department of Immigration; 9. any similar body which may be established or incorporated into the defense forces in the future.

Commander in Chief

According to the bill, the president of the republic will be the commander in chief of the republic's defense forces.

Defense Forces Will Not Intervene

The bill specifically states that members of the Panamanian Defense Forces will not participate in party politics under any circumstances, save for the casting of their vote: "As a result, they will not be able to participate in political activities of any kind, nor make political declarations as long as they are on active duty."

Ranks

The senior ranks provided for by the bill are: 1. general of the forces; 2. corps general; 3. division general; 4. brigadier general. Other ranks include: colonel, lieutenant colonel, major, captain, lieutenant, second lieutenant, sergeant first class, sergeant second class, corporal first class, corporal second class, assistant, and orderly.

Organization

The organization of the Defense Forces of the Republic of Panama will include: 1. commander in chief; 2. chief of staff; 3. deputy chief of staff; 4. general staff; 5. special staff; 6. other echelons created by internal regulations in accordance with Article 22 of the bill.

Purpose

The purpose of the new bill is to amend the law to conform with modern standards regarding defense forces, thus eliminating the old structure that created the National Guard.

Personnel Changes Reported

PA292002 Panama City LA PRENSA in Spanish 28 Sep 83 p 1A

[Article by Alfonso Barria]

[Text] The National Guard yesterday announced new changes in its internal structure. It was reported that the changes were made in order to completely restructure the institution so as to prepare it to face the dangers that are hovering over Central America, as Commander in Chief General Manuel Antonio Noriega announced during the ceremony marking his assumption of command on 12 August.

Major Edgardo Lopez told LA PRENSA that Gen Noriega and his staff are emphasizing the organization of a national defense force due to the unsettled situation in Central America and to ensure that the plans for defense of the canal in the year 2000 will be carried out as stipulated in the Torrijos-Carter treaties. Maj Lopez said: "The National Guard's new organizational structure will be functional and responsive to the demands of both the present and the future."

These are the changes that were made in the National Guard:

Lieutenant Colonel Julian Melo Borbua, from Panama police to the General Secretariat of the Commander and the General Staff.

Lieutenant Colonel Leonidas Macias, from the 11th Military Zone to deputy chief of the G-1 of the General Staff.

Lieutenant Colonel Eros Ramiro Cal, from deputy chief of the G-1 of the General Staff to Panama police.

Lieutenant Colonel Juan B. Cambra, from inspector of the Military Zones to the 8th Military Zone.

Major Ricardo Garibaldo, from the National Department of Investigations to chief of the 11th Military Zone.

Major Nivaldo Madrinan, from the Presidential Guard to director of the National Department of Investigations.

Major Roberto Perez, from the 8th Military Zone to chief of the Commander's Operations Center.

Major Alfredo H. Remon, from Panama police to chief of the Presidential Guard.

Major Eduardo E. Herrera, from the 11th Military Zone to the subcommission of the School of the Americas.

Major Armando Palacios Gondola, from the 7th Macho de Monte Company to battalion chief in the General Omar Torrijos H. Division.

Captain Juan Oberto, from the 6th Expeditionary Rifle Company to executive of the 10th Military Zone.

Captain Felipe Camargo, from the 10th Military Zone to chief of the 2d Puma Company.

Captain Euclides Aguilar, from the 2d Puma Company to chief of the 6th Expeditionary Rifle Company.

Captain Cesar Augusto Dominguez, from the 5th Victoriano Lorenzo Company to chief of the 1st Tigre Company.

Captain Federico Olechea, from the 1st Tigre Company to chief of the 7th Macho de Monte Company.

Captain Manuel Sieiro Murgas, from the Tomas Herrera Military Institute to chief of the 5th Victoriano Lorenzo Company.

Captain German Pinzon, from assistant to the head of G-5 to chief of the Bayano Integral Development Corporation.

Captain Jose H. Trujillo, from assistant to the head of G-5 to chief of the Balboa Police Substation.

Captain Teofilo Campodonico, from the Balboa Police Substation to assistant to the head of G-5.

Lieutenant Francisco Porras, from the 11th Military Zone to director of the Tomas Herrera Military Institute.

MOLIRENA Seeks Discussion

PA291745 Panama City LA PRENSA in Spanish 29 Sep 83 p 1A

[Text] The Nationalist Liberal Republican Movement [MOLIRENA] last night issued a communique saying that no bill of decisive importance to the country should be hurriedly discussed.

The MOLIRENA communique is signed by Mr Abraham Pretto. It states: "MOLIRENA has discovered with surprise and grave concern that a bill calling for the creation of a 'National Defense Forces' has been presented." MOLIRENA adds: "A law of such decisive importance to the future of the country cannot be the object of hasty discussions. This case has been given neither the publicity nor the debate that its importance demands."

The communique notes: "The creation of a military organization having the characteristics, attributions, and powers contemplated by this bill -- which faces final approval by a legislative body that is not truly representative -- would mean imposing a decision on the country that would not have the national backing it should have, given its nature." The communique concludes by stating: "MOLIRENA now publicly reveals the improper manner in which this delicate matter is being treated. This represents an end to the democratization process in the country."

Editorial Scores Creation of 'Army'

PA291647 Panama City LA PRENSA in Spanish 29 Sep 83 p 1A

[Editorial: "The Republic at the Service of Arms"]

[Excerpts] The fact that we have an army should come as no surprise to anyone here in Panama. Even though no regulation has ever been issued authorizing its formation, organization, classification, or activation, the National Guard, author and major beneficiary of the coup, has arbitrarily seized our national resources for its own disproportionate growth. It has ceased to be a police force in order to become an army with land, sea, and air units.

There has never been a legitimate justification for this. Our territorial integrity has not been threatened by any foreign enemy, nor has anyone tried to destroy the republic. The National Guard grew only to preserve by force that which it obtained by force -- political power.

The National Guard has not resigned itself to losing either its power or its character as a supraorgan of the state, as is shown by the contents of the bill organizing the "Defence Forces of Republic" and by the procedure followed in its hasty, shameful, and almost clandestine approval by the National Legislative Council.

The complexity of the military apparatus created in 15 years of excessive growth, the frailty of our public institutions, and the citizens' justified skepticism regarding the apolitical stand that the National Guard has promised to maintain call for a very broad discussion, both inside and outside the National Legislative Council, before a law of such importance to the future of the republic can be approved. No organic law, least of all this one, should be adopted with the rashness and haste that the National Legislative Council recently displayed in its effort to remove the issue from public scrutiny and debate.

CRITICA Praises Restructuring

PA291708 Panama City CRITICA in Spanish 29 Sep 83 p 4

[Editorial: "The Juridical Framework of Changes in the Panamanian National Guard"]

[Text] Scarcely a month and a half after Brigadier General Manuel Antonio Noriega took office as commander in chief of the National Guard, his momentous statements regarding the new destiny of the Panamanian public forces have taken a specific, orderly, and coherent shape in the bill creating the Defense Forces of the Republic of Panama. The bill was presented to the Legislative Council yesterday. These latest events, which have followed a completely logical sequence, have made the public fully aware that it is witnessing the appearance of a new philosophical and practical concept of the military man. This concept is not likely to have comparison or precedent in Latin America history.

On previous occasions we have commented on the profound significance of the fact that those who hold all the elements and instruments of power in their hands have voluntarily relinquished that power without being pressured by either civil unrest or threats of violence. The great transformation has appeared as the result of a new awareness of the mission which the soldier is called upon to perform within the context of economic and cultural development, political sophistication, and imperatives of the international order. All of this is conditioned by a timely forecast of the functions, responsibilities, and obligations that will befall the men in uniform at the turn of the century. Laying aside the formal and other aspects that have caused a certain degree of controversy, it is pleasant to see the favorable reception accorded the bill in the Legislative Council. In fact, the approval was general and extended even to the opposition regarding the juridical framework that defines and projects the public forces into a new dimension, which not only guarantees the successful completion of the democratization process in Panama, but also ensures the freedom of the people, as well as the peace and harmony without which we cannot achieve the progress that is hoped for by all.

DE LA ESPRIELLA ON DUAL WAGE ADJUSTMENT

PA290317 Panama City Televisora Nacional in Spanish 2140 GMT 28 Sep 83

[Interview granted by Panamanian President Ricardo de la Espriella to an unidentified Televisora Nacional reporter at his residence in Panama City on 28 September -- recorded]

[Excerpts] [De la Espriella] The Panamanian members of the Panama Canal Directorate Board have been kind enough to come and tell me that at the meeting held this afternoon with the U.S. members of the board it was unanimously agreed to resolve once and for all the problem of the dual wage scale. Thus, the Panamanian people's inherent rights are being recognized. This will be accomplished by making up 20 percent of the difference as of 1 January 1984. Another 20 percent will be added as of 1 October 1984 and the rest, 60 percent, as of 1 October 1985. This refers to the economic aspect. But the most important aspect is the recognition of Panama and the Panamanians who work in the Canal Zone -- of their right to have a salary equal to that of the U.S. workers and employees. We also have to recognize that President Reagan has fulfilled the promise he made exactly 1 year ago when we visited him at the White House. He said that the problem would be resolved fairly for Panama. We must be honest and admit that President Reagan has fulfilled his promise.

[Question] How much will the elimination of the dual wage scale represent for the Panamanian treasury?

[De la Espriella] Not for the treasury, for the economy -- for the Panamanian economy. From now to the year 2000, the Panamanian workers in the canal area will receive approximately \$500 million.

COSTA RICAGOVERNMENT REJECTS NICARAGUAN CHARGE ON ATTACK

PA292126 San Jose Radio Impacto in Spanish 1830 GMT 29 Sep 83

[Text] The Costa Rican Government today rejected the Nicaraguan assertion that the Democratic Revolutionary Alliance rebels who attacked Penas Blancas launched the attack from Costa Rican territory.

The Costa Rican authorities declared that, according to investigations, the groups that carried out the attack did not do so from our country. In addition, the Civil Guard has complete control over the Penas Blancas border region.

To Request OAS Meeting

PA292157 Paris AFP in Spanish 2114 GMT 29 Sep 83

[Text] Washington, 29 Sep (AFP) -- Costa Rican diplomatic sources at the OAS have reported that Costa Rica is planning today to call for an urgent meeting of the OAS Permanent Council to denounce the Nicaraguan attack last night on the border area of Penas Blancas.

The sources indicated that Costa Rican Foreign Minister Fernando Volio will present Costa Rica's complaint to the council in Washington on Tuesday.

The incident occurred after anti-Sandinist guerrillas yesterday attacked the Nicaraguan customs post of Penas Blancas.

Monge on Contadora Peace Force

PA300412 San Jose Radio Reloj in Spanish 0100 GMT 30 Sep 83

[Live report by reporter William Cespedes from the Presidential House]

[Text] Diplomatic relations between Costa Rica and Nicaragua have begun to crumble. The Sandinist government has had no permanent ambassador in Costa Rica for the past 3 months. Leonor Arguello de Hupper, former consul general of Nicaragua in New York, arrived barely 2 days ago to take over as head of the Nicaraguan diplomatic mission. However, no date has been set for her to present her credentials.

Meanwhile, Costa Rican President Luis Alberto Monge Alvarez has said that Costa Rica is considering the possibility of requesting a peace force comprised of military officers and civilians from the Contadora Group countries.

Due to the events that have recently taken place in the border region with Nicaragua and the Sandinist government's accusations, this morning we again considered this possibility, but no decision has been made, President Luis Alberto Monge Alvarez said. He also admitted that diplomatic relations between Costa Rica and Nicaragua are weakening.

Security Council Issues Communique

PA300225 San Jose Radio Reloj in Spanish 0100 GMT 30 Sep 83

[Communique issued by the Costa Rican Security Council in San Jose on 29 September; read by Deputy Minister of the Presidency Manuel Carballo Quintana -- live or recorded]

[Text] In view of the grave events in the Penas Blancas border area, the National Security Council has continued meeting today in a joint session with the Costa Rican president. Because of the Costa Rican people's interest and concern about these events, we report on the current situation:

1. The Security Council rejects as groundless the charges of the Nicaraguan Government in its 28 September Foreign Ministry protest note, since the intention is to make Costa Rica appear as an aggressor country before the international community.
2. Additional reports received today clearly show that the attack on the Penas Blancas border post did not come from Costa Rican territory. Nevertheless, we are waiting for the official report that the directors of the Civil Guard and the Rural Assistance Guard will issue in the next few hours. They have gone to the scene of the incident to more thoroughly question the Costa Rican authorities, the local residents, the wounded, and other eyewitnesses. We are confident of the objectivity of the investigation.
3. On higher orders, the Costa Rican authorities -- 10 Civil Guardsmen and 9 Rural Guardsmen -- withdrew from the border post when the clash began in view of the proximity of the confrontation. There was no alternative due to the small size of the Costa Rican detachment and the need to protect their lives. We strongly deny that this withdrawal was carried out in complicity with the counterrevolutionary force, as the Nicaraguan note charged.
4. It is true that four wounded anti-Sandinists were treated at the Liberia Hospital. Deep humanitarianism required that the Costa Ricans treat them medically. We could never refuse medical treatment on which human lives depend. We have done the same in the past for another Nicaraguans and authorities of the current Sandinist government whenever it was necessary.
5. The Security Council once again reiterates its willingness to fulfill and enforce the principle of neutrality in the armed conflicts of the region. We view this principle as one more instrument to guarantee the Costa Rican people's peace and tranquillity.
6. The members of the public force who have been transferred to the border areas on the orders of the council have as of this moment reinforced the control over Penas Blancas, safeguarding national sovereignty and the principle of neutrality of the Costa Rican Government. A larger and better equipped detachment will be stationed permanently in Penas Blancas.
7. All the border authorities will now be organized under a single command of the Civil Guard. Therefore, the rural assistance guard and the immigration and customs authorities will coordinate under that single command everything dealing with order and the maintenance of security on the border.
8. The National Security Council vigorously condemns and criticizes the attack the Sandinist Army carried out on Costa Rican public buildings, territorial integrity, and the Civil Guard in Penas Blancas yesterday. We consider it an act harmful to our sovereignty and territorial integrity, and we believe that such actions make the achievement of peace in the region more difficult.

9. In view of the above, the Costa Rican Government will adopt the following measures: It will issue a formal protest against Nicaragua; it will denounce the action to the OAS Permanent Council; and the Costa Rican ambassador to Nicaragua will be recalled for consultations by our Foreign Ministry.

Deputy Alleges 'Contra' Activity

PA291726 San Jose Radio Reloj in Spanish 1200 GMT 29 Sep 83

[Text] Thirty of the 46 deputies present at a legislative session have voted for the special draft budget that will allow universities to cover their expenses for the remainder of this year and permit public employees to receive the wage increases previously agreed upon by budget authorities.

During the third debate, Deputy Sergio Eric Ardon devoted a portion of his address to the charge that the counterrevolutionary attack on Penas Blancas and other areas on the Nicaraguan border originated in Costa Rica. In addition, the deputy for the Revolutionary Workers Party [PRT] said that 100 counterrevolutionaries are based in camps in the foothills of the Erosi Volcano.

Radio Stresses Defense of Sovereignty

PA292251 San Jose Radio Impacto in Spanish 1830 GMT 29 Sep 83

[Station commentary: "Let's Become United, and We Will Be Invincible; Let's Become United for the Sake of Costa Rica and Our Exemplary Democracy"]

[Excerpts] Costa Ricans are angered, and with just reason. We have been insisting on the need to prepare to maintain our sovereignty and territorial integrity.

What happened in Penas Blancas yesterday cannot happen again. We do not agree with retreating farther into the country so that the Sandinists can destroy our border posts and humiliate our humble civil and rural guardsmen. We must show them once and for all that although we do not have arms or armies, we do have men and women willing to defend our nation.

We cannot remain with our arms folded. If we need military aid from Venezuela, Panama, the United States, or any other democratic nation in the world, let's ask for it.

We are lacking weapons, but we have more than enough men. We ask Nicaragua: What do you want? What are you trying to do? We are not stupid enough to fall into your trap of internationalizing the conflict. The Costa Ricans and the Nicaraguans will not allow themselves to be caught in a war among brothers just to defend Soviet ideals.

It is better to put an end to nine communists than to kill millions of innocent people.

EDITORIAL CRITIQUES MONGE'S 'NEUTRALITY STATUTE'

PA292043 San Jose LA NACION in Spanish 22 Sep 83 p 14A

[Editorial: "The Neutrality Issue" -- boldface as published]

[Text] Several deputies and three former foreign ministers have said that the "statute of permanent neutrality," through which President Monge sought to promote Costa Rica's pacifist and neutralist tradition, has failed to meet legal and international standards.

Therefore, it has also failed to have the effect of a true STATUTE deserving recognition by other countries.

We agree. As we said in a editorial a few days ago, the declaration of neutrality that President Monge eagerly wants to convert into an international STATUTE is contradictory and illegal. As former Foreign Minister Gonzalo Facio has pointed out, neutrality, defined in the statute to mean not taking sides every time a war is declared, is a thing of the past. It is no longer possible to uphold as an absolute principle in a world so full of confusion, violence, and war.

The statute tends toward an academic rather than a true distinction when it points to a subtle and fictitious difference between ideological and political -- or philosophical -- neutrality, and a warlike neutrality. We are bound, either voluntarily or through international agreements like the Inter-American Reciprocal Assistance Treaty (TIAR), to provide ACTIVE AND MILITANT solidarity. Therefore, it will be difficult for friendly countries to accept this back-door shirking of agreements signed long ago.

We have simply not come out of this semantic adventure with flying colors. Rather, as former Foreign Minister Bernd Niehaus said, we are weakening and endangering our position and stability. Where international policy is concerned, we should act in line with reality and not according to lyric or folkloric essays. Permanent neutrality can be declared only by a political stable, heavily armed country, one with a sizable army. We are doing things backward. We are invoking our weakness and unarmed status to tempt the unbridled ambitions of any unscrupulous totalitarian country. At the same time, by shirking our commitments, we are inviting the indifference of friends, who would no longer be as eager to come to our aid in case of emergency.

We believe that there has been a lack of foresight and experience, and great naivete in international law. We all admit that the intentions were sound. However, in this country of rural peace, we have already suffered enough at the hands of our politicians' good intentions. The most serious consequences that the "Statute of Neutrality" can bring are, however, domestic. With this attitude, we run the risk that the authorities in charge of our national security will overlook this matter, and before we know it, we will realize that we can no longer be as neutral as we wish because we are no longer free.

VOLIO MEETS WITH FRG FOREIGN AFFAIRS OFFICIAL

PA292253 San Jose Radio Impacto in Spanish 1830 GMT 29 Sep 83

[Live relay by Vera Aguilar from the Costa Rican Foreign Ministry]

[Text] Berndt Von Staden, FRG secretary of state for foreign affairs, met with Costa Rican Foreign Minister Fernando Volio this morning to discuss the good relations between Costa Rica and the FRG and to organize a meeting of FRG ambassadors in Latin America and the Caribbean which will be held this year. It is also expected that this meeting will serve to analyze Central American and Caribbean problems in order to increase political and economic ties.

BRIEFS

NEW SUPREME COURT JUSTICE -- Luis Paulino Mora has been appointed as a new justice of Costa Rica's Supreme Court of Justice. [Summary] [San Jose LA PRENSA LIBRE in Spanish 12 Sep 83 p 11 PA]

EL SALVADORGROUP CONDEMNS U.S. EMBASSY STAND ON 'COMMUNIST'

PA292201 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 29 Sep 83

[Communique issued by the Salvadoran Nationalist Command in San Salvador on 28 September -- read by announcer]

[Text] The Salvadoran Nationalist Command [Comando Nacionalista Salvadoreno -- CNS] repudiates the position of the U.S. Embassy, which publicly expressed support for Amilcar Martinez Argueda, a long-time militant in the communist ranks. The U.S. Embassy cannot ignore Martinez Argueda's political background, which is well known by the various sectors in which he acted and in which he showed his commitment to marxism.

The CNS stresses that it is contradictory for the U.S. Embassy to express solidarity with a well-known communist while President Reagan courageously denounces the horrible crimes that the Soviets are committing in various part of the world, including El Salvador.

STATE OF SIEGE EXTENDED ADDITIONAL 30 DAYS

PA292246 San Salvador EL DIARIO DE HOY in Spanish 29 Sep 83 p 54

[Text] Without going through formalities, and with the vote of 60 deputies, constitutional guarantees were again suspended beginning on 30 September in view of the continuing violence in the country. All the factions of the deputies of the political parties represented in the Constituent Assembly agreed that the extension of the state of siege throughout the national territory is necessary for an additional 30 days.

FARM PLANE PILOT ESCAPES FROM NICARAGUA

PA292123 Panama City ACAN in Spanish 0316 GMT 29 Sep 83

[Text] San Salvador, 28 Sep (ACAN-EFE) -- Yamil Frech Miranda, a 32-year-old Nicaraguan civilian pilot was presented to the press at Salvadoran Air Force headquarters after he fled his country in a light farming aircraft last Monday. According to Frech, he left Nicaragua because he "did not agree with the way Sandinist authorities are handling the country. There is more oppression now than before."

Frech said that he left Nicaragua last Monday at 0600 in aircraft "TR-OCH" owned by the state-run company "Agrarian Reform Air Transportation," for which he used to work, and has requested political asylum in El Salvador.

He said that his first intention had been to go to Honduras, but due to a shortage of fuel and since he only had a compass to guide him, he decided to enter Salvadoran territory and landed in Barra Ciega, in western Sonsonate Department. The Nicaraguan pilot said he left the country without any problem, "and now I am going to struggle against the Sandinist regime, although I don't yet know how," he said.

Meanwhile, the Finance Police today presented five recently arrested members of the People's Revolutionary Army, one of the groups that compose the guerrilla front. They will be put at the disposal of a military court on charges of participating in such activities as the occupation of churches and towns and kidnappings.

RADIO VENCEREMOS DENOUNCES TENANCINGO 'GENOCIDE'

PA290407 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Sep 83

[Excerpt] The U.S. Embassy has just announced that it has opened an investigation into the massacre, the genocide of the civilian population of Tenancingo. But what will the U.S. Embassy investigate if the U.S. Government is supplying the airplanes and the bombs that are causing so many deaths in El Salvador? What will the embassy investigate if the Reagan government is to blame for the expansion of the genocide in our fatherland?

We accuse coward Vides Casanova and we accuse criminal Colonel Bustillo, the commander of the Air Force. But above all, we accuse Colonel Oneciforo Blandon, commander of the 1st Infantry Brigade based in San Salvador, who gave the orders to bomb Tenancingo. Oneciforo Blandon is responsible for the bombing of Tenancingo and for all the deaths and sorrow caused by the dictatorship's Air Force. Tenancingo, a martyr city, will pass into history along with cities like Guernica or Estelí and Matagalpa, which were bombed by the Somoza dictatorship.

The events in Tenancingo are nothing more than the expression of the desperation of a dictatorship that knows it is losing the war, that it will lose the war. We call on all the peoples of the world to denounce by every means this massacre, this genocide the dictatorship has committed in Tenancingo. The entire world should know about the crimes committed by the Salvadoran dictatorship and the imperialist government of Ronald Reagan, which is supplying the genocidal airplanes and bombs.

FMLN SAYS LABOR LEADER KIDNAPPED BY REGIME

PA290418 (Clandestine) Radio Farabundo Martí in Spanish to El Salvador 1830 GMT 28 Sep 83

[Excerpt] Only yesterday, while the streets of San Salvador were being reclaimed by our people to demand a suitable living and a fair salary, the henchmen were kidnapping the secretary general of the Institute of Urban Housing (IVU) labor union, whose brave strike continues to shake the dictatorship.

From their lairs in the dictatorship's headquarters, the same ones who ordered the savage bombing of the civilian population release their murderous dogs against the working people and men of democratic thought. This is how the much exaggerated and false democratization process invented by Ronald Reagan is constructed in El Salvador.

FMLN REPORTS BRIEF OCCUPATION OF CHINAMECA

PA290402 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Sep 83

[Text] Our "Independence, Liberty, and Democracy for El Salvador" campaign continues to advance. Here is a report from the Francisco Sanchez Southeastern Front. On 28 September at 0530, FMLN units entered the town of Chinameca, San Miguel Department. When the local civil defense soldiers became aware of the revolutionary forces, they fled in disarray, thus demonstrating the low fighting morale of the dictatorship's forces.

The FMLN occupied Chinameca for several hours and held a rally in the town's central park that was attended by a good number of townspeople. Propaganda was distributed and slogans painted on walls.

The population responded with enthusiasm and expressed their support and confidence in the FMLN. They also expressed their repudiation of the puppet army. We greet the residents of Chinameca and the rest of the country and reiterate our determination to fight until victory. This report was sent from the Francisco Sanchez Southeastern Front by Commanders Ramon Suarez and Pedro.

HAVANA CITES REBEL ATTACKS, CAMPAIGN'S PROGRESS

FMLN Continues Offensive

FL291806 Havana Domestic Service in Spanish 1418 GMT 29 Sep 83

[Text] FMLN forces are successfully continuing the offensive "Liberty, Independence, and Democracy for El Salvador" that they initiated earlier this month. Yesterday, the FMLN attacked 5 towns in the Departments of San Vicente and Usulután. Since the beginning of the offensive, they have inflicted nearly 800 dead, wounded, and prisoners on the Salvadoran Army.

Dispatches report that the Air Force repeatedly bombed the 5 towns in support of the government troops that had suffered a crushing defeat in Tenancingo last Sunday. The bombings almost totally destroyed Tenancingo, Cuscatlán Department, where rescue squads are still search the ruins for the bodies of approximately 100 civilians.

Progress of Rebel Campaign

PA290445 Havana International Service in Spanish 0000 GMT 29 Sep 83

[Text] Salvadoran rebel forces today attacked five towns in San Vicente and Usulután Departments, where there is a massive concentration of troops involved in the implementation of an alleged pacification program. Reports from San Salvador do not detail the actions, but disclose that charges of repeated Air Force bombings against civilians, particularly in Tenancingo, have proliferated. It was said that in Tenancingo, which is located in Cuscatlán and was one of nine towns occupied by the rebels this weekend, rescue teams are removing debris in the search for bodies of civilians killed in the bombings.

Tenancingo residents noted that despite the violence of the confrontations between rebels and soldiers, the worst moments were those when the tyranny's planes were attacking the town.

Meanwhile, the FMLN reported through Radio Venceremos that during its current campaign called "Independence, Liberty, and Democracy for El Salvador" begun on 3 September, the guerrillas have inflicted 670 casualties on the regime's troops and occupied 21 towns in the country's eastern region, particularly in San Miguel, Usulután, La Unión, and Morazán.

GUATEMALA

MEJIA VICTORES DISSOLVES STATE COUNCIL

PA291253 Panama City ACAN in Spanish 1220 GMT 29 Sep 83

[Excerpt] Guatemala City, 29 Sep (ACAN-EFE) -- At the recommendation of rightwing sectors, Head of State General Oscar Mejía Victores has ordered the dissolution of the State Council, the executive branch's advisory body. The order will take effect on Saturday, 1 October.

Gen Mejía Victores visited the State Council yesterday and personally told the members of that body that his government had decided to eliminate the council for economic reasons.

In a short speech, Mejia Victores "thanked" the advisers for the "task fulfilled" and urged them to continue working on behalf of Guatemala.

For his part, State Council President Ricardo Asturias Valenzuela took the floor to say that since its foundation the council "has worked in good faith to lead Guatemala toward democracy."

The State Council was created by the government of the now-ousted Efraim Rios Montt on 15 September 1982. Following Rios Montt's overthrow in August, Mejia Victores was "pressured" by certain political sectors who pointed out the "useless services that the State Council had rendered" and asked Mejia Victores to dissolve it.

FOUR 'POSSIBLE' SUBVERSIVES KILLED IN SAN MARCOS

PA291258 Guatemala City Super Radio in Spanish 0050 GMT 29 Sep 83

[Text] Four individuals, possible subversives, have died during a clash with members of a military patrol, according to report. The incident occurred in the village of (La Feria), San Rafael Pie de la Cuesta, San Marcos Department.

The reports added that government troops thoroughly combed the area following the incident, confiscating such weapons as grenades, claymore mines, and cartridges of various calibers. Ammunition pouches, food, medicine, documents and [word indistinct] were also seized. The reports from the Army's Public Relations Office added that a great many agricultural tools were confiscated, including picks, pickaxes, and shovels, all used by unidentified groups to commit acts of sabotage.

HAVANA REPORTS EGP AMBUSH, ARMY CASUALTIES

PA290422 Havana International Service in Spanish 1800 GMT 28 Sep 83

[Text] Commandoes of the Poor People's Guerrilla Army [EGP] in Guatemala have ambushed a military patrol in Huehuetenango Department, inflicting five deaths on the enemy. During the operation, the rebels destroyed a military jeep and took four M-1 rifles and ammunition.

Another war report on this action by the EGP states that the Guatemalan Air Force indiscriminately bombed the mountains of Huehuetenango, destroying homes and crops and endangering the population's lives.

HAVANA CARRIES STATEMENT BY PGT LEADER GONZALEZ

PA291243 Havana International Service in Spanish 0000 GMT 29 Sep 83

[Statement by Carlos Gonzalez, secretary general of the Guatemalan Labor Party, "somewhere in Guatemala," date not given -- recorded]

[Excerpts] On 28 September our party will commemorate its 34th founding anniversary, 34 years marked by struggle and combat. We have faced a series of military dictatorships that arose from electoral farces and military coups. We have come a long way and have made our contribution as an organized expression of the working class.

We have the solidarity, support, and sympathy of peoples, parties, organizations, and movements throughout the world. Together with our own efforts, this support will help us advance and topple the ruling military dictatorship.

We will take all the measures necessary to further our party's advance in the hard fight against the Guatemalan military dictatorship, which is at the service of U.S. imperialism. The unity of the Guatemalan revolutionary movement plays a very important part in this.

On our party's anniversary, we point to the intensification of repression and terror against the Guatemalan people, and the slavish behavior of the dictator Mejia Victores, who provides his unconditional support to the aggressive, adventurous, and provocative plans of the Americans in Central America. We know that these plans will be defeated by the vigorous action of the Central American peoples backed by international solidarity. We express our solidarity with the Sandinist people's revolution and the heroic struggle of the Salvadoran people. We reaffirm our conviction to fight for world peace in the face of Washington's insane policy. Our own struggle is an effective contribution to the victory of peace in Central America, and to the achievement of friendship and security among the peoples who, in the past, made up the united provinces of Central America.

NICARAGUA

ORTEGA NOTE TO CONTADORA GROUP DISTRIBUTED AT UN

PA291805 Managua Domestic Service in Spanish 0300 GMT 29 Sep 83

[Text] The note the commander of the revolution and coordinator of the Junta of the Government of National Reconstruction sent to the presidents of Mexico, Venezuela, Colombia, and Panama, the members of the Contadora Group, has been distributed at the United Nations as a Security Council document.

The note states that Nicaragua has decided to ratify the document of objectives that the foreign ministers prepared at their last meeting in Panama on 10 September, in line with Nicaragua's commitment to peace and its certainty that the document will facilitate future compromises designed to bring about a solution to the critical Central American problems.

The note also calls attention to the serious situation Nicaragua is facing as a result of both the aggression and threats of the U.S. Government and the increase in counter-revolutionary activities against Nicaragua.

Assures Support of Contadora Efforts

PA291722 Managua Radio Sandino Network in Spanish 1200 GMT 29 Sep 83

[Text] Nicaragua today reaffirmed at the United Nations that it will continue to support and promote the efforts of the Contadora Group. It added that these efforts should be made in accordance with agreements and specific commitments that can properly guarantee the security of each Central American country.

In a letter to the president of the UN Security Council, Commander Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, emphasized that Nicaragua supports the Document of Objectives that was approved by the Contadora Group on 10 September 1983 in Panama.

Nicaragua also used the UN Security Council to report and criticize the recent counter-revolutionary attacks on its territory, which have been carried out with the acquiescence of certain members of the Honduran Army.

The Contadora Group foreign ministers met in New York with Daniel Ortega and discussed the petition which Nicaragua presented on Tuesday to place the Central American issue on the agenda of the 38th UN General Assembly. Ortega explained at a news conference that although the Contadora Group's efforts are making headway, the military situation in the region has worsened, making it logical for the issue to be submitted to the United Nations.

Havana on Request to UN

FL292244 Havana Domestic Service in Spanish 2002 GMT 29 Sep 83

[Text] Nicaragua today officially requested UN Secretary General Javier Perez de Cuellar to include the subject of Central America as an important and urgent matter in this session. A letter addressed to Perez de Cuellar from Nicaraguan Foreign Minister Miguel d'Escoto Brockman states that Central America is one of the most tense areas in the world.

The letter says that notwithstanding the different declarations, initiatives, and resolutions from the nonaligned countries, the Contadora Group, and the UN Security Council, the Central American situation is rapidly deteriorating. The Nicaraguan foreign minister's letter emphasizes that foreign intervention is being discussed publicly, as if it were a legitimate option or even a right of those who consider Central America their strategic reserve.

The Nicaraguan initiative to include the subject of Central America in the program of the 38th session of the UN General Assembly is supported by Cuba, which considers it a brave and decisive position.

Meanwhile, the Contadora Group is holding debates and secret meetings to adopt a position on the subject.

According to rumors at UN Headquarters, the Contadora Group foreign ministers have held a meeting in a New York hotel. Reportedly, former U.S. Secretary of State Henry Kissinger participated in the meeting. Some reports say it is possible that there will be a declaration on the Nicaraguan proposal.

Diplomatic sources indicate that such a declaration could be dominated by U.S. pressure so that the subject of Central America will not be debated at the United Nations, in accordance with U.S. strategic interests.

ORTEGA COMMENTS ON UN HEADS OF STATE MEETING

PA292027 Managua Domestic Service in Spanish 0300 GMT 29 Sep 83

[Excerpts] United Nations -- Commander Daniel Ortega has described the heads of state meeting promoted by Indira Gandhi, the president of the Nonaligned Movement, as an original initiative. The meeting fostered the first direct dialogue between the Third World and the developed nations, and between the aligned and nonaligned states of diverse ideologies, all within the framework of the United Nations.

The closed-door meeting, which was held yesterday with only one adviser permitted per head of state, took place under the tightest security measures due to the presence of 14 heads of state, the secretary general of the United Nations, and the president of the General Assembly.

Commander Ortega said that yesterday's discussions focused on economic matters, with particular emphasis on the foreign debt problem, which is so seriously troubling the developing nations.

Nicaragua insisted on the need to deal seriously with problems that are closely linked to international peace and stability, according to the commander. He added that he protested the economic aggression that the United States is committing against Nicaragua and other Third World nations.

HAVANA ON ORTEGA REMARKS ON AIRCRAFT PURCHASES

PA290425 Havana International Service in Spanish 0000 GMT 29 Sep 83

[Text] Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, has accused the United States of exerting pressure on its Western allies not to sell fighter aircraft to Nicaragua. In remarks to THE WASHINGTON POST, Ortega said that Nicaragua has been forced to intensify its weapons acquisition program in view of increased U.S. aggression.

After criticizing U.S. actions to destabilize the Sandinist government, Ortega noted that the Nicaraguan revolution was, to a great extent, the fruit of U.S. policy toward that Central American country, because Washington supported the bloody Somoza dictatorship for 50 years.

In conclusion, he reiterated that although Nicaragua is virtually surrounded by U.S. troops, the Managua government will continue to promote dialogue and negotiations to settle conflicts in Central America peacefully.

REPORTAGE ON FIGHTING AT PENAS BLANCAS POST

Calderon Blames Costa Rica

PA292132 Managua Domestic Service in Spanish 0300 GMT 29 Sep 83

[Text] We have presented evidence of the negligence of the Costa Rican Government, which was unable to guard its own customs post, and permitted an attack on Nicaragua from Costa Rican territory. This statement was made by guerrilla Commander Roberto Calderon, deputy chief of Region 2, during a tour he conducted this morning through Penas Blancas, Sapoa, and Cardenas following attacks by counterrevolutionaries entering from Costa Rica.

The criminal action took place half a kilometer from the border, near the Costa Rican customs post, where it would have been impossible for the attack to have gone unnoticed by Costa Rican authorities.

'Energetic' Protest to Costa Rica

PA291455 Managua Domestic Service in Spanish 0300 GMT 29 Sep 83

[Communique issued by the Nicaraguan Foreign Ministry in Managua on 28 September 1983]

[Text] At 0500 today, mercenary forces coming from Costa Rica launched attacks on the towns of Cardenas and Sapoa and on the Penas Blancas customs post in Rivas Department. When their advance was halted, the mercenaries withdrew to Costa Rica and continued their attacks from there. They concentrated on the Penas Blancas customs post, which was seriously damaged by fire from mortars and other heavy weapons.

This criminal action was carried out in a frontal assault from Costa Rica. The mercenaries took up positions half a kilometer from the frontier, near the Costa Rican border post; that is to say, in an area where they could not have escaped detection by the Costa Rican authorities.

Three heroic defenders of the fatherland were killed and nine others were wounded in the attack, which ended at 0930.

The action was reported by the Costa Rican station Radio Monumental, which also announced that 16 wounded mercenaries entered Social Security clinics and that Colonel Oscar Vidal, director general of the Civil Guard, said that the members of that armed institution had withdrawn 2 km behind the border. One's attention is particularly drawn to the fact that, despite being aware of the seriousness of the situation, the Costa Rican authorities not only failed to prevent a continuation of the attacks but actually withdrew inside their own territory, leaving the field clear so that the mercenaries could carry out their criminal actions with impunity. At the same time, they enjoy unrestricted access to Costa Rican Government hospitals for the treatment of their wounded.

The continuation and worsening of such situations are hardly consistent with the Costa Rican Government's repeated declarations concerning its neutrality and its insistence on the nonuse of its territory for the organization and execution of attacks on Nicaragua. These continuing actions are seriously hindering the Nicaraguan Government's efforts to preserve a climate of cooperation, dialogue, and respect between both states.

The Nicaraguan Government has presented its most formal and energetic protests to the Costa Rican Government, and has demanded not only an immediate investigation of and a stop to such incidents but also the arrest, disarmament, and prosecution of those involved.

'Strong, Formal' Protest Made

PA291557 Managua Radio Sandino Network in Spanish 1200 GMT 29 Sep 83

[Communique issued by the Nicaraguan Foreign Ministry on 28 September 1983 in Managua]

[Text] The Foreign Ministry reports that at 1615 yesterday the mercenaries resumed their attack on the Penas Blancas customs posts, which was virtually destroyed during an earlier attack. The mercenaries are using the Costa Rican customs post and nearby buildings as sites for the mortars and other weapons which they are employing in their attack on the Nicaraguan patriots who are defending our territory. Fighting has continued along the border. Thus far, we have been unable to obtain information on the current situation in Penas Blancas.

Following the attack on the Nicaraguan border post, two planes entered our airspace at 1700. There is no doubt that the planes came from Costa Rica. The planes bombed Sandinist People's Army positions near El Naranjo. Our antiaircraft defenses repelled the attack, and the planes returned to Costa Rica.

The Nicaraguan Government insists that these incidents are extremely serious, all the more so considering that the Costa Rican Government is aware of the situation and has done nothing to control or eliminate the mercenaries in its territory, which they are using to launch criminal attacks on Nicaragua.

The passivity shown by the Costa Rican Government is rapidly contributing to the deterioration of the situation along the border. Such an attitude does not comply with the fundamental obligations established by international norms, which stipulate that a country must not allow its territory to be used as a base for hostile actions against another sovereign state.

On lodging a strong, formal protest, the Nicaraguan Government repeats its request to the Costa Rican Government to adopt the urgent measures that the situation demands in order to prevent the continuation of acts of aggression against Nicaragua.

Managua, 28 September 1983

Foreign Ministry, Free Nicaragua

Costa Rican Neutrality Questioned

PA291754 Managua Radio Sandino Network in Spanish 1200 GMT 29 Sep 83

["Beyond the News" feature: "Costa Rican Neutrality"]

[Text] Following yesterday's attacks on the towns of Cardenas and Sapoa, and the assault on the Penas Blancas border post, all of which undoubtedly originated from Costa Rica we can only ask: What has happened to the much-discussed Costa Rican neutrality?

Everyone in that country knows that ARDE [Democratic Revolutionary Alliance] counter-revolutionaries are operating in full view of the authorities, who are doing nothing about it. But no one seems to act on this knowledge. This leads us to believe that there might be a tacit or secret understanding between the counterrevolutionaries, who even have an office in San Jose, and the Costa Rican authorities.

Who are they fooling?

In this specific case, there is a curious coincidence: The attacks on the border posts in the north and south of Nicaragua, from Honduras and Costa Rica, respectively, were carried out simultaneously, which indicates that they were planned that way. From this we conclude that Costa Rica's attitude toward Nicaragua is not as neutral as the Costa Rican authorities might like us to believe.

This is a dangerous policy, even for Costa Rica. This is not a threat, because all we want is peace. However, by allowing these operations on their territory, they will lose control of the situation.

Nicaragua has shown all the patience in the world and will continue to do so in the hope that the Costa Rican authorities put a stop to these activities, if they still have control, by expelling those elements from their country who are only harming peace in Central America. We hope they do this soon, for everyone's sake.

ARDE Issues War Bulletin

PA291903 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 29 Sep 83

[War Bulletin No 84 issued by Miskito, Sumu, and Rama Unity, MISURASATA; the Nicaraguan Democratic Movement, MDN; the Sandino Revolutionary Front, FRS; the Christian Democratic Solidarity Front, FSDC, "in the mountains of Nicaragua" on 28 September 1983]

[Text] The General Command of the Armed Forces of the Democratic Revolutionary Alliance, ARDE, reports the following to the Nicaraguan people and the free peoples of the world:

1. At 0400 on Wednesday, 28 September 1983, during the course of the San Jacinto operation, our Giant Indian [Indio Gigante], Brave Indian [Indio Bravo] and Hare 2 [Liebre 2] columns attacked enemy troops at the Penas Blancas border post, which they seized following a 15-minute exchange of rifle and artillery fire.
2. Our forces held this military position for 3 and 1/2 hours. They inflicted 19 dead and 25 wounded on the pro-Soviet army of the Managua government and suffered 6 wounded, 2 of them seriously.
3. The enemy post was still unmanned at 1100 because the enemy troops fled in disarray toward Nicaragua's interior. Our forces caused the following damage during this action: The total destruction of the transmission lines that supply electricity to Rivas, San Juan del Sur, and Nandaime, and the disabling of the totalitarian government's Radio Frente Sur, which is still off the air.
4. The operation extended to the north, where the enemy troops fled and where a military base is located. We attacked and seized the town of Sapoa despite the support [the enemy] received from a gunboat it had on [word indistinct] Lake, which proved to be ineffective. Two nests of .30 and .50 caliber machineguns were silenced by the valor, daring, and patriotism shown by our fighters.
5. We seized a large quantity of weapons, including .30 caliber machineguns and AK assault rifles, which have been added to the ARDE arsenal. We lost no equipment or other war materiel.
6. It is worth noting that Sapoa's civilian residents took to the streets and cheered our fighters, ARDE, and Commander Eden Pastora when they realized that ARDE's forces, which are led by Commander Pastora, were fighting the occupation army.

Following these successful actions, our forces withdrew in an orderly fashion toward our bases in liberated Nicaraguan territory.

Without totalitarianism, or a return to the past!

[Signed] Commander Eden Pastora Gomez, Commander in Chief of the ARDE Armed Forces

Havana Reports on Attack

PA290448 Havana International Service in Spanish 0000 GMT 29 Sep 83

[Text] Nicaraguan counterrevolutionary forces attacked the Penas Blancas post on the border with Costa Rica early today. It was later reported that 21 members of ARDE [Democratic Revolutionary Alliance], led by the unpatriotic Eden Pastora, received medical assistance in Costa Rican hospitals.

According to Costa Rican Public Security Minister Angel Edmundo Solano, his government is analyzing the situation in order to determine responsibilities. He added that there are Costa Rican sectors who want war with Nicaragua and are giving protection and cooperation to the counterrevolutionaries.

In addition Miguel Carmons, national leader of the Costa Rican Red Cross, reported that that institution is prepared for any emergency such as this morning's.

OCOTAL OFFICER DISCUSSES RECENT REBEL ACTIVITY

PA292241 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 29 Sep 83

[Interview with Commander Manuel Salvatierra, chief of the military general staff in Ocotal; no date or place given -- recorded]

[Text] [Salvatierra] The enemy activity underway since Sunday is part of a general counter-revolutionary plan in this direction. We know that as part of their plans the enemy wanted to deal an important military and political blow by seizing Ocotal -- their major target -- and Somoto. So they infiltrated some small forces of up to 100 counter-revolutionaries from Honduran territory to establish bases in southern Somoto. The counterrevolutionary forces began infiltrating here last Friday as a first phase in the offensive against Ocotal.

We must point out two things: During the attack on Somoto, it was mostly the militias which fought the counterrevolutionaries. As for Ocotal, here on the northern border, the militias, reinforced by some of our reserve units, handled the situation. We hardly had to use any of our regular forces.

In the general report prepared on the operation carried out from Sunday until today, Tuesday, we reported 18 counterrevolutionaries killed and several others captured. One of them turned himself in voluntarily. We have captured four.

We expect the counterrevolutionaries to intensify their military activity in the next few days because we know they have not yet brought in the main part of their forces. But neither have we used our forces. The people in the various places, communities, and cities, militarily organized for their own defense and structured as battalions and militia units -- Captain Fajardo is the chief of one of the brigades serving this region -- have carried the brunt of the burden.

[Reporter] Commander, why do you think the counterrevolutionaries will intensify their activity in the next few days?

[Salvatierra] Because for weeks now the counterrevolutionaries have been concentrating forces to attack in this direction. We are prepared for that counterrevolutionary plan. We have fought some of their forces already. Today, for instance, we clashed with one of their small advance groups and inflicted four casualties on them. This was in the direction of Ocotal. The militiamen in Somoto have engaged in eight clashes. Fourteen of the 100 counterrevolutionaries who entered through that area have died, the last of whom was found today. Two men were also captured on the Somoto side. Four different small units have engaged in these eight clashes. In defending their territory, they have clashed with counterrevolutionaries trying to return to Honduras.

[Reporter] How many counterrevolutionaries are there in this region, and what kinds of weapons have been seized from them?

[Salvatierra] Well, we have seized mortars, rocket launchers, grenade launchers -- some were recovered today -- M-60 machineguns, FAL rifles, [words indistinct], grenades, and many Claymore mines. These are the (?basic) types of weapons. They often use the Claymore mines to check an advance by infantry troops.

We have a group in southern Somoto, and we are waiting to wipe out the last remnants there; we have no problems. The forces that attacked El Espino have returned to Honduras. Those who attacked the area of Ococona and Santa Maria have also returned to Honduras; practically all they did was fire a few shots from the border and return. Then there are the forces that entered through the northern Costa Rican border. They were the ones who harassed this area along the (?access roads), about 2 km from Ocotal. They attacked some of our checkpoints. Today we decided to check the area, and this is when we clashed with them, inflicting four casualties.

We expect to resolve this situation in the next few days. Of course, we are aware that the main body of their forces has not yet entered our territory, only a few of them.

Ocotal Residents Join New Battalion

PA291447 Managua Radio Sandino in Spanish 1830 GMT 28 Sep 83

[Excerpt] Ocotal, Nicaragua -- In response to imperialist aggression, the people of Ocotal met at 2200 last night in 19 July Park to enlist in Battalion 31-22 of the territorial militia. Their action was taken to help defeat the incursions by Somozist invaders coming from Honduras. Workers, students, and heroic women all turned out from their neighborhoods to receive the weapons which will enable them to defend the conquests of the revolution sector by sector, neighborhood by neighborhood.

TIRADO STRESSES DEFENSE OF CORINTO PORT

PA292013 Managua Domestic Service in Spanish 0300 GMT 29 Sep 83

[Text] Victor Tirado Lopez, commander of the revolution and member of our National Directorate, today said in Corinto that the defense of that port city is one of the basic tasks of both local workers and their brothers throughout the country.

He made this statement during a meeting with representatives of the (Alvaro Rios Borda) Longshoremen's Union at the port of Corinto. Delegates from the Sandinist Central Organization of Workers and from the Labor Ministry were present.

The port, as both the enemy and the Nicaraguan people know, is of great strategic importance to our economy, because it is from here that the country's most important products -- cotton, coffee, meat, and sugar -- are imported and exported. In addition, it is our only really good port, which is why we must defend it, Commander Tirado Lopez said.

The commander urged all workers to train in antiaircraft defense in order to respond militarily to an attack. He noted that the situation indicates that the country will be confronted with Yankee imperialist threats for some time.

STATE COUNCIL APPROVES ASSOCIATIONS BILL ARTICLES

PA292000 Managua Radio Sandino in Spanish 1830 GMT 28 Sep 83

[Report by Miriam Palacios]

[Text] Four of the 39 articles that make up the law on associations were approved this morning during the first phase of a debate held at the 16th ordinary session of the State Council. Various points of view were expressed when the bill was introduced, including that of Social Christian Party (PSC) representative Julio Ramon Garcia Vilchez, who questioned the law.

The introductory part of the bill refers to the need to approve this measure, since it ensures that associations will respond to the interests of the majority of Nicaraguans and that there will be more stringent regulations governing their organization.

The first article of the law on associations notes that this piece of legislation will regulate the constitution, authorization, activation, and disappearance of the nonprofit civil and religious associations that currently exist in the country or those that may be organized in the future, in accordance with Nicaraguan laws and guarantees.

The law also establishes the number of members that civil or religious associations must have in each department or region. It was in connection with this regulation that the PSC representative voiced his disagreement, which was in turn questioned by the plenum.

Commander of the Revolution Carlos Nunez Tellez, president of the State Council, said the following on the need to approve this law:

[Begin recording] In presenting the law on associations to the State Council, we cannot forget that this is not only a legal effort. It is also an effort to regulate the emergence of those associations -- within the framework of each request submitted to the State Council -- that claim to be nonprofit, humanitarian, and a few other things. In many cases, we have no evidence to support these claims.

For instance, only (???) of the associations established prior to the revolutionary victory have complied with Decree 639, while 47 of those associations known to exist prior to the victory have not complied with Decree 639. Only 20 associations have obtained legal status following the revolutionary victory, thus fulfilling the requirements established by Decree 639.

Since then, we have learned of the existence of another 44 organizations that do not have legal status, but have not bothered to obtain this status.

Strangely, paradoxically, most of these 44 associations are of a religious nature, some of them with a history of activities in our country. Their names, however, are very new and very specific, such as the Association of Pentacostal Christian Churches of the World Missionary Movement, the Association of Christian Churches of the Faith in Jesus Christ, the Association of (?Great Commission) Churches, the Outstretched Hands Association, the Convention of Mennonite Evangelical Churches of Nicaragua, the Council of Evangelical Christian Churches of Nicaragua, the Society of Mary Congregation, the Franciscan Sisters Missionaries of Mary Congregation, the Franciscan Sisters of the Holy Cross Congregation, Genesis II, which had something to do with children here, the Dominican Sisters of [name indistinct], the Eternal Cloud Churches, and many others of various types and origins. Most, however, are American.

Perhaps when they learned that this law on associations intends to end the disorder that has prevailed thus far, they have begun to worry and present all sorts of arguments, pointing to the unsettled conditions here in Nicaragua while concealing their illegal concerns, concerns that have nothing to do with the associations themselves but are of a clearly political nature. In drafting this law, however, these concerns have also been taken into consideration. [end recording]

PASTORA ON MORE BOMBINGS, COSTA RICAN ATTITUDE

PA291610 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 29 Sep 83

[Text] Commander Eden Pagora has told a group of newsmen on the Southern Front that there will be an increase in bombings of enemy posts, with special emphasis on military positions.

According to Pastora's statements, ARDE [Democratic Revolutionary Alliance] forces are preparing to step up their attacks on purely military positions under the control of Soviet and Cuban occupation forces.

Pastora, who leads the struggle on the Southern Front in Nicaragua, told newsmen that his planes take off from properly camouflaged airfields at a point far removed from our beloved fatherland's Atlantic coast. Costa Rica can easily demonstrate this; let the Marxists prove that the opposite is true, he noted. What they are now trying to do is to involve Costa Rica in these actions with the clear objective of creating complete insecurity among the Costa Rican people. I need not mention that this is a well-known fact.

During the press conference, which was held somewhere in Nicaragua and attended by Costa Rican and foreign newsmen, Pastora expressed his displeasure with the Costa Rican security minister. He has detained our fighters, prevented us from getting food supplies through the San Juan River, seized weapons which we need in our fight, and constantly hurled charges against us, Pastora said.

We must make this clear to Costa Rica: We have [word indistinct] navigation on the San Juan River; traffic through its waters is now normal, Pastora noted in conclusion.

BRIEFS

SOCIAL CHRISTIAN PARTY BOARD -- Agustin Jarquin Anaya has been elected president of the Social Christian Party [PSC]. The other PSC board members are: Erick Ramirez, first vice president; (Azucenas Rey), second vice president; Filiberto Sarria, third vice president; Luis Vega Miranda, secretary general; and Fanor Avendano, sergeant at arms. [Summary] [Managua Radio Noticias in Spanish 1200 GMT 19 Sep 83 PA]

SOVIET MEDICAL DONATION -- The Soviet Red Cross has made a donation of more than 4 tons of medicine and surgical equipment to the Nicaraguan Health Ministry. The donation was delivered by [Yuriy Farsenov], the minister-counselor at the Soviet Embassy in Managua, and was received by Mayra Pasos, Nicaraguan deputy minister of health. [Summary] [Managua International Service in Spanish 1200 GMT 26 Sep 83 PA]

ANN-MTI AGREEMENT -- Budapest -- The Agencia Nueva Nicaragua, ANN, has signed a co-operation agreement with the Hungarian Magyar Tavislati Iroda, MTI, to expand ANN's radius of information to Eastern Europe. ANN Director Carlos Garcia Castillo signed the agreement with his MTI counterpart, Sandor Burjan. Garcia Castillo, who arrived in Budapest on Wednesday and left for Prague yesterday, is involved in a tour of several European countries intended to strengthen ANN's relations with the news agencies of Eastern Europe. [Summary] [Managua Radio Sandino in Spanish 1830 GMT 19 Sep 83 PA]

AALAPSO DENOUNCES U.S. 'AGGRESSION' IN LEBANON

FL291350 Havana Domestic Service in Spanish 1000 GMT 29 Sep 83

[Text] In a statement released in Havana, AALAPSO has denounced the brutal aggression of Yankee imperialism and its allies against Lebanon under the cover of troops which were supposedly deployed in the region to fulfill the peace mission assigned to the multinational force. The documents condemn the participation of the U.S. fleet, Marines and warplanes, as well as officials stationed in Lebanon in an open war against Lebanese progressive forces and the Palestinian people.

AALAPSO calls on progressive forces throughout the world to denounce the unlawful and aggressive nature of these attacks and solicits support in solidarity with the cause of the Lebanese people. At the same time, AALAPSO warns that the current attacks are aimed at consolidating the power of Lebanon's Phalangist reactionaires and preparing conditions to turn that country into an Israeli-U.S. protectorate and a spearhead against the Arab peoples.

GUINEA-BISSAU INDEPENDENCE ANNIVERSARY MARKED

FL291458 Havana Domestic Service in Spanish 1400 GMT 29 Sep 83

[Text] The main ceremony marking the 10th anniversary of Guinea-Bissau's independence was celebrated in the FAR's Universal Room in Havana. Humberto Perez and Jesus Montane -- alternate Politburo members -- and Pascual Alves, ambassador of that African nation to Cuba, presided over the ceremony. In his speech, Alves outlined the struggles of his people throughout the history of his country, which is governed by the African Party for the Independence of Guinea-Bissau and Cape Verde.

The ceremony was closed by Humberto Perez, who said that we Cubans celebrate the victories of countries such as Guinea-Bissau because we are proud of the relations that unite us in the struggles for emancipation.

RAUL CASTRO PRESIDES OVER SANTIAGO CEREMONY

FL281330 Havana Domestic Service in Spanish 1000 GMT 28 Sep 83

[Excerpt] In Santiago de Cuba, Army General Raul Castro, second secretary of the party, has presided over the revolutionary reaffirmation ceremony for the award to that city of the honorary title of Hero of the Republic of Cuba and the Order of Antonio Maceo through a resolution passed by the Council of State.

Also attending the ceremony were alternate Politburo members Vilma Espin, president of the FMC [Federation of Cuban Women], Armando Acosta, national CDR [Committee for the Defense of the Revolution] coordinator, and Central Committee member Jose Ramon Balaguer, first secretary of the party in Santiago de Cuba Province.

The ceremony was held at the esplanade of Jesus Menendez Avenue, where thousands of FMC workers, ANAP [National Association of Small Farmers] members, and housewives gathered to reaffirm to the party and to Commander in Chief Fidel Castro their readiness to strengthen the heroic traditions of the people of Santiago.

MARINE CONTAMINATION SYMPOSIUM ENDS IN HAVANA

FL262343 Havana Domestic Service in Spanish 2130 GMT 26 Sep 83

[Text] Cuba can proudly display many social accomplishments which have raised the quality of habitat because the strategy of our country's development serves the people, Serafin Fernandez, member of Cuba's Communist Party Central Committee and vice minister of transportation, has asserted. The statement was made at the closing session of the fourth symposium on research and control of marine contamination and a workshop on environmental efforts in Caribbean bays, which was presided over by Commander of the Revolution Guillermo Garcia Frias, member of the party Politburo and minister of transportation.

The conclave, which began last Monday, was attended by representatives from Jamaica, Guyana, Mexico, Puerto Rico, Trinidad and Tobago, Panama, Nicaragua, and Cuba, as well as scientists from French, Spanish, Mexican, and Czechoslovak research institutions.

BRIEFS

INDIAN DELEGATION VISITS -- Leaders of the Cuban Institute of Friendship With Peoples [ICAP] and an Indian delegation visiting our country at the invitation of that institute held a meeting yesterday. Ario Rodriguez, vice president of the ICAP, met with members of the delegation led by professor (Rasbudin Akhan), president of the Indian-Cuban Society of New Delhi, and Dr (Margaret Alba), parliamentarian and secretary general of the Institute of Solidarity With Latin America. During its stay in Cuba, the delegation has held a conference at the Higher Institute of Foreign Relations, participated in activities marking the 23d anniversary of the CDR [Committee for the Defense of the Revolution], and visited museums in Havana. The delegation will also travel to Santiago de Cuba, where it will meet with deputies of the National Assembly of the People's Government. [Text] [Havana Domestic Service in Spanish 1600 GMT 29 Sep 83 FL]

BAHAMASADDERLEY REPORTS ON DRUG TASK FORCE HEARINGS

FL291906 Nassau Domestic Service in English 1700 GMT 29 Sep 83

[Text] The Bahamas Information Services has issued a new statement on the Washington Task Force Committee's public hearing on narcotics. Caron Turner has the details.

[Turner] Chairman (Edward Faye's) Task Force Committee on Narcotics held its first public hearing in Washington yesterday and heard testimony from Senator Dennis DeConcini of Arizona, Representative Glenn English of Oklahoma, and Broward County Sheriff's Deputy Nick Navarro. As expected, Navarro, who has a record of illegal undercover activity in Bimini, attempted to put the Bahamas in a bad light. But Senator DeConcini and Representative English had favorable comments about the Bahamas' role in combating drug trafficking.

Foreign affairs minister and attorney general, the Honorable Paul L. Adderley, attended yesterday's public hearing as an observer and his comments about the testimony follow:

Major Navarro recounted for the task force the 1979 incidents, when, under then Sheriff Butterworth, he and other of his officers went to Bimini to buy 400 kilograms of cocaine which was being offered for sale by what he said were uniformed Royal Bahamas Police and Customs officers. That purchase did not go through, he said, but there was another incident when a captain of Bahamian police was involved in some drug transactions. He did not identify the captain; however, they had indicted in Florida a Bahamian customs officer, and one person he identified was a man by the name of Johnson in Bimini.

Major Navarro said he had information that there was corruption of higher officials in the Bahamas. He had learned from his intelligence sources that two ministers in the Bahamas cabinet were involved in drug trafficking, but he had never heard that Mr Pindling was involved. I have seen some other information, Mr Navarro said, but Mr Pindling was not involved.

Continuing, Mr Navarro said that, apart from the Bimini escapade, he also (?entered) the Bahamas in 1981 together with his agents and some smugglers and seized 1,800 pounds of marijuana in San Salvador, as a result of which 14 people were indicted. He said that for 5 months he had assigned an agent to the Bahamas. He did not consider the agent a spy because it was not a military operation.

Mr Navarro said that he never heard of anyone going to jail in the Bahamas because of narcotics trafficking, and he had heard recently that there were large plantations of marijuana growing in the Bahamas. He added that he gets a great deal of his information from the underworld and his information on the Bahamas is second hand.

Congressman English, in his statement before the task force, said that he knew of a recent 72-hour radar sweep of the Bahamas airspace by United States naval aircraft but they had not said anything to them about such plantations. He said he was aware of the NBC allegations. Such allegations were not uncommon about emerging nations, he said, some of which might well be true. He said he had heard similar allegations about the Bahamas before but whenever he pressed anybody on the allegations the people who made them always confessed a complete lack of first-hand information. He said: I have no independent knowledge of the merits of the NBC allegations.

Senator DeConcini did not address himself to the NBC allegations. He dealt with international drug trafficking generally. He said the United States needs a drug strategy, which it did not have. It needed a plan for the detection, interdiction, and arrest of traffickers, and more needed to be done in the areas of demand reduction through counselling and rehabilitation.

Congressman English said that the United States Customs Service with all of its (?officers) did not have the capability to regularly perform its drug-interdiction functions in the United States. The Bahamas' lack of enforcement capabilities is not surprising and their incapability to perform adequately was therefore understandable. Despite the priority that the United States Government was putting on fighting drug trafficking, the United States had not responded adequately to Bahamian requests for assistance. I demand, he said, that Department of State representatives be brought here to account for their inertia. No officer of any U.S. federal agency appeared before the task force.

BARBADOS

BRIEFS

QUARTERLY TRADE FIGURES -- Bridgetown, Barbados, Sept 9, CANA -- Barbados' domestic exports rose by more than 27 million dollars (one Bdos dollar; 50 cents U.S.) during the first three months of the year to 97 million dollars compared with the same period last year, according to official figures. Trade sources said electronic components constituted the bulk of goods exported, followed by clothing and, to a lesser extent, insecticides. Domestic exports for January-March last year earned 70.2 million dollars while their value for the three-month period in 1981 was 57.6 million dollars. Trade sources noted that Barbados did not export any sugar, its main agricultural crop, during the first quarter. The industry produced 85,100 tonnes of sugar this year, an 11-year low. Barbados' trade deficit for the first three months of the year was 161.5 million dollars, 39.5 million dollars less than last year. Meanwhile, imports for the quarter declined by 48.3 million dollars. Barbados imported 273.9 million dollars worth of goods compared with 322.2 million dollars between January and March 1982. [Text] [Bridgetown CANA in English 1842 GMT 9 Sep 83 FL]

GRENADE

BRIEFS

NOVA SCOTIA LOAN -- St Georges, Grenada, Sept 29, CANA -- The Grenada Government is to receive a loan of 71,590 pounds sterling from the Bank of Nova Scotia to help the country purchase equipment for an international airport under construction here. The loan is to help in the down payment on a 6.6 million pounds sterling contract which the People's Revolutionary Government (PRG) signed with the British firm of Plessey Airports Ltd for the supply of goods and equipment for the Point Salines project. The Nova Scotia loan is repayable over six and a half years. [Excerpts] [Bridgetown CANA in English 1556 GMT 29 Sep 83 FL]

JAMAICA

SEAGA ASKS IFC TO SUPPORT PRIVATE SECTOR BANK

FL292157 Bridgetown CANA in English 1723 GMT 29 Sep 83

[Text] Kingston, Jamaica, Sep 29, CANA -- Jamaica has urged the International Finance Corporation (IFC), an affiliate of the World Bank, to support efforts in the English-speaking Caribbean to develop a bank to finance private sector projects in the region.

Jamaica's Prime Minister Edward Seaga met IFC officials in Washington Wednesday. A government statement said the proposed private sector bank was one of the matters raised along with financing of projects here. "He...urged the agency's support for the Caribbean Service Corporation, the inter-island private development bank which is being backed by major private sector companies in Jamaica, Trinidad and Tobago, and Barbados," the prime minister's office (Jamaica House) said.

Planning for the regional private sector bank is taking place under the aegis of the Caribbean Association of Industry and Commerce (CAIC), the umbrella organisation for private sector interests in the region. Planners for the bank believe that the IFC could channel funds through the proposed regional bank. However, the Jamaica House statement gave no specifics on the discussions Prime Minister Seaga had on the matters.

Jamaica House said the prime minister had talks with the IFC officials on the corporation's possible participation in the island's energy and conservation programme, particularly in switching from using oil to coal. Investigations are underway here to determine the most feasible means of financing the cost of the move by the state-owned light and power suppliers, the Jamaica Public Service Company, the cement company, and other major energy consumers. Studies have concluded that switching to coal could mean a substantial foreign exchange saving to Jamaica.

The financing of projects under a major agricultural development programme being launched by the government was also discussed, Jamaica House said.

Seaga has also met Peter McPherson, the director of the United States Agency for International Development (USAID), to discuss projects for Jamaica during the coming U.S. fiscal year, including food aid.

ST LUCIA

EASTERN CARIBBEAN CENTRAL BANK CREATION APPROVED

FL291832 Bridgetown CANA in English 1804 GMT 29 Sep 83

[Excerpt] Castries, St Lucia, Sep 29, CANA -- The St Lucia Parliament has passed legislation approving the setting up of an Eastern Caribbean Central Bank to replace the currency authority which serves seven sub-regional territories. The bank will be located in St Kitts-Nevis, where the currency authority is headquartered, and is expected to become operational by November, the government said.

Last July the governments of Antigua and Barbuda, Dominica, Grenada, St Kitts-Nevis, St Lucia, St Vincent, the Grenadines, and Montserrat signed an agreement to establish the bank. The territories make up the Organisation of Eastern Caribbean States (OECS).

Piloting the bill, which was passed unanimously, prime minister and minister of finance, John Compton, said that the new Central Bank would alter the relationship between the islands and the commercial banks. He said when the bank started to function, it would take over the responsibility for setting interest rates from the commercial banks.

Compton termed the move to create the Central Bank "another journey towards financial cooperation" by the OECS states, adding that the islands were now prepared to take the final step in solidifying the act of political independence in the financial field.

DEFICIT INCREASES \$890,000 DURING SECOND QUARTER

FL292147 Bridgetown CANA in English 1945 GMT 29 Sep 83

[Text] Castries, St Lucia, Sep 29, CANA -- St Lucia's economy recorded a 34.2 million dollar (one EC dollar; 37 cents U.S.) second quarter (April to June) deficit for the year, an increase of 890,000 dollars over the first quarter, the government's statistical department has announced.

Imports for the second quarter totalled 71.9 million dollars while exports were worth 37.7 million dollars, it said. The 1983 imports were five million dollars less than the figure for the second quarter of last year, while exports increased by more than seven million dollars this year compared with 1982.

During the April to June period this year, St Lucia's main exports were food and live animals valued at 19.2 million dollars -- an increase of four million dollars over the figure for the second quarter of 1982. Food and animals also accounted for the largest single import item (16 million dollars), while imports of machinery and transport equipment decreased by six million dollars this year compared with last year's second quarter figure.

St Lucia's main trading partner continued to be the 13-nation Caribbean Community (Caricom). During April to June this year, St Lucia imported 11.3 million dollars worth of goods from Caricom, compared with 19 million dollars during the corresponding period last year. However, exports showed a modest increase from 11.6 million dollars last year to 12.4 million dollars this year.

There was also a sharp increase in imports from the United States -- 25.7 million dollars this year, compared with 21 million dollars last year. Exports to the United States doubled, moving from 2.6 million dollars to 5.5 million dollars this year.

St Lucia's biggest single export market, however, was the European Economic Community. Exports for the second quarter of this year to that region registered 18.5 million dollars (mainly bananas to Britain) -- a five million dollar increase over the figure for April to June last year. St Lucia's imports from the EEC declined by seven million dollars this year compared with 1982.